BEYOND TRADITION AND RESISTANCE
ISLAMIC POLITICS AND GLOBAL RELATIONS OF POWER
THE CASE OF TURKEY: 1839-1990

by

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A thesis submitted in conformity with the requirements
for the Degree of Doctor of Philosophy
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This study examines the interplay between the rise of a market principle in the economy and Islamic sources of nationhood in the specific case of Turkey between 1839 and 1990. The rise of Muslim politics in the context of contemporary globalization poses a theoretical challenge to theories of modernization and political economy. Many of the assumptions made in these theories are highly limiting in that they define locally experienced religious culture and community-based religious organizations as “traditional” or “pre-capitalist” vestigial elements which will disappear with the expansion of market forces in the economy. These theories have also been restrictive in their conclusions. They contend that “traditional” or “pre-capitalist” structures act as forces of resistance against the constitution of a capitalist market economy and liberal democracy, and that they represent a threat to the survival of the nation-state. I argue that Muslim politics cannot be dismissed as an expression of “tradition” which has survived a distant past, nor can it be expected to have an almost total “traditionalizing” effect on the restructuring of society.

The thesis is organized around three themes: 1- Global relations of power in the realm of production and trade, and the strategic-military relations that govern the organization of the global economy; 2- Domestic political and cultural responses to these relations; and 3- The opportunities and constraints presented by changes in the world economy and state system. These basic themes are derived from Karl Polanyi’s “double movement” argument as formulated in the Great Transformation. (Essentially Polanyi states that the expansion of market forces is accompanied by a reaction to it in the form of demands for protection against capital’s socially disruptive effects.) My study suggests that the link between global relations of power and the domestic political-cultural responses to it is mediated through various forms of multi-class populist alliance in the state structure. This is an active political process which involves constant negotiation, bargaining, compromise within the specific conjuncture of geo-political events.
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iii
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# Table of Contents

## I. INTRODUCTION
1.1. An Overview of Chapter Outlines

## II. THE LATE DISCOVERY OF POLITICAL CULTURE: THEORIES OF TURKISH STATE-BUILDING
2.1. Modernization Theory
2.2. The Center-Periphery Approach
2.3. Marxist Theory and the Turkish Left
2.4. Some Theoretical Suggestions

## III. NATIONAL COMMUNITIES AND CULTURES IN WORLD CONTEXT
3.1. The Market-Oriented Economy and the Question of Legitimacy
3.1.1. The Disembeddedness of the Economy and Protective Counter Movements: K. Polanyi
3.2. International Order and Diversity of National Conditions
3.3. The Construction of Nationhood
3.3.1. Nationhood as a Modernity Project: E. Gellner
3.3.2. Nationhood in Non-Western Historical Settings: A. D. Smith
3.3.3. Nations as Imagined Communities: B. Anderson
3.4. Islam and Culture
3.5. Concluding Remarks

## IV. THE DISINTEGRATION OF THE OTTOMAN REDISTRIBUTIVE SYSTEM AND THE PROTECTIVE MOVEMENTS
4.1. The Ottoman Patrimonial-Redistributive System: The Classical Age (1300-1600)
4.2. Structural Causes of the Disintegration of the Classical Redistributive System
4.3. The Search for an Ideology of National Unity: The Question of Equality and Homogeneity in Society
4.3.1. Tanzimat Reforms and the Creation of Ottoman Nationhood: 1839-1876
4.3.2. The Young Ottomans: Islam as the Ideology of Nationhood
4.3.3. The Young Turks: Turkism and the Creation of a Nation
4.4. Conclusion
V. KEMALIST TRAJECTORY AS A NATIONHOOD PROJECT: SECULARISM:
1918-1945
5.1. From Empire to Nation: 1918-1923 122
5.2. From Religion to "The Nation": 1923-1930 123
5.2.1. Islam and Opposition Against M. Kemal, 1920s 131
5.2.1.1. Said Nursi and Nationalism 133
5.2.1.2. Kurdish-Naqshbandi Revolt of Shaykh Said (1925) 134
5.3. Secularism as a Nationhood Project 138
5.4. Bureaucratic Control and Nationhood 143
5.5. Conclusion 148

VI. THE KEMALIST TRAJECTORY AS AN ECONOMIC DEVELOPMENT PROJECT:
STATISM: 1923-1945 151
6.1. Construction of the National Economy: The 1920s 154
6.2. The Protective Response to the Great Depression: 1929 and the 1930s 155
6.3. Authoritarian State Protectionism in Industry: The 1930s and 1940s 163
6.4. Conclusion 166

VII. THE COLD WAR AND THE RECONSTRUCTION OF DOMESTIC POLITICS:
1945-1960 174
7.1. Emerging Cold War Politics and the Transition to a Multi-Party Regime in Turkey: 1945-1947 177
7.1.1. Intensification of the "Communist Threat": Balkan Politics, the Iranian Crisis and the Security of the Turkish Straits (1945-1947) 179
7.2. The Reconstruction of Domestic Politics: 1945-1950 180
7.3. The Incorporation of Islam into the Definition of National Culture: 1947-1960 188
7.3.1. Islam as the Living Culture of the People: 1947-1950 195
7.3.2. The Synthesis between Kemalist Secularism and Islam: 1950-1960 196
7.4. Conclusion 200

VIII. COLD WAR MILITARY BLOCS AND THE IDEAL OF ECONOMIC DEVELOPMENT:
1945-1960 202
8.1. The Marshall Plan: Towards an Open World Economy 204
8.3. Rural Producers as New Partners in Coalition Politics: 1950-1960
8.6. The DP and National Industrialization Policy
8.7. Economic Development and Local Community
8.8. Conclusion: An Historical Account of the Development Ideal

IX. THE ISLAMIC POLITICAL AGENDA AND THE DEVELOPMENT IDEAL: THE 1950s
9.1. The Reappearance of the Tariqas and the Risale-i Nur Movement of Said Nursi
9.2. The Islamic Intellectual Agenda
  9.2.1. N. F. Kisakurek, A Muslim Poet
  9.2.2. Said Nursi and Development
  9.2.3. The Naqshbandi Tariqa
9.3. Conclusion

10.1. The U.S and the European Economic Community
10.2. Turkey and the United States
  10.2.1. Planned Industrialization
  10.2.2. The Cuban-Turkish Missile Crisis of 1962
  10.2.3. The Cyprus Question
    10.2.3.1. The Johnson Letter and the Acheson Plan
10.3. Turkey and the EEC: Industrialization Strategy
10.4. Agriculture
10.5. Industry
10.6. Labour Export to European Community Countries
10.7. State-Led Industrialization
10.8. Conclusion

XI. TURKEY'S ISOLATION IN THE WEST: THE SEARCH FOR NEW REGIONAL ALLIANCES: THE 1970s
11.1. National Conflicts within the Atlantic Alliance: Disputes between Turkey and Greece
  11.1.1. The Cyprus War of 1974
11.2. The New Foreign Policy of Turkey
### XII. THE RISE OF MUSLIM POLITICS IN TURKEY: THE 1970s

| 12.1. | Conflicts Between Regions and Capital Groups | 344 |
| 12.2. | The Break-Up of the Multi-Class Populist Alliance of the JP | 355 |
| 12.3. | The Articulation of a Democratic Left Culture of Opposition: The RPP | 360 |
| 12.4. | Religion and Politics | 364 |
| 12.5. | Islamic Political Opposition: The National Salvation Party | 367 |
| 12.5.1. | The Naqshbandi Tariqa | 370 |
| 12.5.2. | The Ottoman-Islamic Legacy: Confronting the Kemalist Nation-State Project | 372 |
| 12.6. | Conclusion | 377 |

### XIII. GLOBAL RESTRUCTURING AND MUSLIM ECONOMIC COOPERATION: THE 1980s

| 13.1. | Globalization of the Economy | 381 |
| 13.2. | The Shift in Turkish Economic Strategy: From Protection to a Market-Oriented Model | 384 |
| 13.3. | International Politics and Geo-Political Re-Alignment | 394 |
| 13.3.1. | The Islamic Revolution in Iran | 398 |
| 13.4. | The Organization of the Islamic Conference: Inter-Islamic Economic Cooperation | 401 |
| 13.4.1. | Muslim Cooperation: Turkish Trade and Investment in OIC Middle East Countries | 406 |
| 13.4.1.1. | The Change in Turkey’s Economic Relations with the Middle East: 1986-1990 | 410 |
| 13.4.2. | Muslim Cooperation: Investment from Foreign Muslim Countries in Turkey | 412 |
| 13.4.2.1. | The Articulation of Saudi Capital to Turkish Politics: Faisal Finance and the Al-Baraka Turk | 414 |
| 13.5. | Political Constraints on the Turkish Export-Oriented Model | 418 |
| 13.6. | Islamic Opposition | 423 |
| 13.7. | Conclusion | 424 |

### XIV. ISLAM AND DOMESTIC LEGITIMACY: THE 1980s

| 14.1. | Turkish-Islamic Synthesis Ideology | 429 |
14.2. Naqshbandi Capital and Religious Education
14.3. Islamic Opposition of the Religious Orders
14.4. Muslim Intellectuals
14.5. Conclusion

XV. CONCLUSION
15.1. Turkish Trajectories of Social Change: Empirical Results
15.2. Methodological Considerations
15.3. Theories: Findings, Refinements

BIBLIOGRAPHY
I. INTRODUCTION

In this thesis I will examine Islamic politics in Turkey from the perspective of major changes in the world economy and state system. Economic, political and military-strategic factors will be considered in detail. The work has three focal points: 1- the current controversy concerning the relationship between Islam and the historically European institution of the nation-state; 2- the importance of understanding Islam as having increasingly transnational dimensions; and, 3- the use of an economic policy shift as a theme to anchor the various questions concerning how Islam, as a transnational and local cultural-political force, plays a role in the elaboration of national politics within the general conditions of the changing world capitalist economy and state system. This task requires an examination of the political economy and military-strategic context of Islam as a cultural possibility and political project which is potentially both countervailing and formative in the development of global politics. I approach this subject by analyzing the qualitative shifts in the linkage between global and national levels of the economy while also examining national, regional and global politics. The aim here is to analyze structures of power and their points of tension.

Many books and articles have appeared in recent years which deal with the internal political roles of Islam in the "Muslim world". This "world" extends from North Africa to Southeast Asia and comprises some forty-three Muslim (majority) countries as well as a significant minority in another twenty countries. Media coverage of the political rise of Islam in these places has also exploded. The purpose of these scholarly and journalistic works is to provide some insight into the recent developments on Muslim politics in the "Muslim world". Most of these publications have in their titles such terms as "Islamic Resurgence", "Islamic Revival", "Militant Islam", and "Rise of Islamic Fundamentalism". Such publications reflect the view that Muslims have acquired a new political self-consciousness and activism. Moreover, this new activism is seen to involve Muslim rejection of the nation-state and a revival of the transnational community of believers as the primary political unit.

Many of these works identify Muslim politics as being part of the explosive growth of religious nationalisms taking place in many parts of the world since the end of the Cold War - nationalisms rooted in
indigenous religious and cultural traditions. Many argue that the end of the Cold War has opened the way for a rise of ethnic, religious and other forms of nationalistic conflict. In trying to make sense of these conflicts during the 1980s, much scholarly work has tended to focus primarily on the immediate context of these events - interpreting them as either the resurgence of “the archaic” or the rise of “nativism” and “particularism”. The focus of such work has thus shifted from the critique of political economy to cultural studies, i.e. the politics of identity (Laclau, 1993; Bhabha, 1994). However, the question of how one explains the rise of ethnic and religious nationalisms in a world of increasing transnationalization of capital remains unanswered.

In particular, I would like to examine the question of how Islam, as a transnational and local cultural-political force, plays a role in the elaboration of national politics within the general conditions of the changing world capitalist economy and state system. Turkey is an excellent case for analyzing the complexities involved in the interaction between local elaboration of culture and the transnational dynamics of power relations.

Turkey’s place in the world economy and the state system varies in relation to its economic and military-strategic importance. By occupying a very important geographical location, Turkey is in many respects a country on the border between East and West, South and North. It shares many of the problems of other newly industrialized countries in South East Asia and Latin America. At the same time it has succeeded in building up a relatively stable pluralistic-democratic political regime. It has secondary status in economic terms, yet it has been an important player in NATO and regional alliances of the Middle East. It has been built as a nation-state around the principle of secularism and declared itself a Western nation, while it has inherited an Islamic political-cultural legacy from the Ottoman Empire. An interesting consequence of this complex configuration of culture, economy, politics and military relations is that the place of the Turkish nation-state in the political and economic space of the world economy is not as apparent as most of the arguments relating to “dependency-world system” and “modernization” theory would suggest.

I have undertaken this project in order to analyze the role of Islam in Turkish politics. I have identified two tendencies which appear to have shaped Turkish politics from the time of the Ottoman
Empire. One is related to economic policy choice, and the other pertains to cultural strategies for national unity. These tendencies define the context of continuity between the Ottoman Empire and the Turkish state, while explaining the sources of a constant ideological tension in Turkish politics. A choice between the protectionist and market-oriented economic models constitutes the economic dimension of the conflict; secular and Islamic conceptions of nation-making are central to the cultural-ideological tensions.

The decade of the 1980s marked a turning point in Turkey’s political, social and economic structure. At the heart of these changes is the 1980 structural adjustment to the transnationalist market-oriented economic model - a transition which began with the September 12, 1980 military coup d’état. There is a thread of continuity between the 1980 structural adjustment policies as advocated (or imposed) by the IMF and the World Bank, and the structural adjustment policies of the Ottoman Empire which were undertaken during the Tanzimat era as advocated by the British. Both programs recommend that the governments liberalize foreign trade and foreign capital inflows, eliminate protective measures in the domestic market, reduce budget deficits, devalue the currency and curtail the role of the state in the economy. Both the 1980 and the Tanzimat measures were implemented with the conviction that the solution to economic problems lay in the adoption of the “self-regulating market”. On the ideological front, especially after the 1980 military coup, Turkey experienced a change from the Kemalist vision of nationhood based on secularism which has dominated Turkish politics since 1923. From 1980 onwards Turkey witnessed the Islamization of the center-right political parties while the pro-Islamic Welfare party increased its political importance from the mid-1980s.

The 1980 economic policy shift was accompanied by increasing politicization of the Islamic conception of nationhood in such a way that Islam became constitutive of populist-nationalist ideologies outside Kemalism. This is reminiscent of the rise of Islamic nationalism in the Ottoman Empire after the adoption of a free trade principle in the economy. What accounts for the simultaneous rise of a market principle in the economy and the Islamic sources of nationhood in politics?

Many recent studies of Turkey have sought to explain the "revival of Islam" in Turkish politics. Most of these works have focused on the role of Islam in the political process, most notably on the activities of political parties (See for example: Heper, 1981; B, Toprak, 1981, 1984, 1987; Saribay, 1985;
Saylan, 1987; Ahmad, 1991; Turan, 1991; Gunes-Ayata, 1991; Cakir, 1994). Pro-Islamist political party activities such as those of the National Salvation Party (Milli Selamet Partisi) and its successor Welfare Party (Refah Partisi) have attracted considerable attention. The most often asked question in these works is whether Islam poses a political threat to the survival of the Turkish nation-state.

The Welfare Party’s (WP) success in the last general national elections of December 24, 1995 and in the general municipal elections of March 27, 1994 has intensified the “fear of Islam” in Turkey. In the March, 1994 municipal elections, a total of 327 municipalities - 6 metropolitan municipalities, including Ankara and Istanbul, 22 cities, 92 towns and 207 other localities - elected mayors from the WP. The WP won all the large metropolitan areas of Central and Eastern Turkey and increased its share of votes to 19.0 per cent in 1994, up from 4.4 per cent in 1984 and 9.8 per cent in the 1989 local elections. In December 1995 general elections the pro-Islamist Welfare Party came in first, obtaining most of the votes (more than 20 per cent) and seats in parliament, which led it form a government in 1996, albeit short-lived, in coalition with the central-right True Path Party, and Erbakan - the leader of the Welfare Party - became the Prime Minister.

In addition to the increased number of votes for the pro-Islamic party in the cities and large metropolitan areas, the “fear of Islam” was amplified as it became clear that the WP obtained most of its support in the predominantly Kurdish cities of Eastern Turkey as well as the large metropolitan cities of Istanbul, Ankara and Izmir. That is to say, the WP as a pro-Islamic political party established itself in Turkish politics as a party with urban and Kurdish support. Historically established close ideological and organizational ties¹ between Kurdish nationalism and Islam led some scholars to formulate the connection as the “Islamization of Kurdism”² (Yalcin-Heckman, 1991; van Bruinessen, 1978).

Turkey is experiencing a change from a Kemalist vision of nationhood. The precise meaning of this change is difficult to determine. One explanation could be that the Islamic project represents a counter ideology to Kemalism. The pro-Islamic political party and Sufi orders have defined an Islamic alternative

¹ The most obvious example these authors refer to is the Shayk Said revolt of 1925.

² This argument is very polemical, however. Kurds of Eastern Turkey might support the pro-Islamic party, but this does not mean that these Kurds are Kurdish nationalists.
which appeals to an increasingly large population of Turkey. An Islamic counter ideology takes its credibility from contradictions within Kemalist ideology, which suppressed any relationship between religion or other heterodox elements in society and nationhood. The politicization of Islam was thus inscribed within Kemalism.

The Sufi religious orders (known in Turkish as tariqas) in general, and the Naqshbandi and the Nurcu movements in particular, have played, and continue to play, a major role in altering the relationship between Islam and the national political space as constructed within the ideological framework of Kemalism. In its long political history the Naqshbandi tariqa has worked for the social mobilization of Muslims toward this transformation - what S. Mardin (1991) calls the Naqshbandi longue durée. The Naqshbandi has experienced a number of watersheds, profound changes in strategy which reveal extraordinary sensitivity to changing conditions. Through the Naqshbandi and Nurcu activities, Islam emerged as the primary ideological framework of Muslim political thinking and activism outside of the Kemalist trajectory as a nation-state project.

I suggest that Islam was potentially a counter-hegemonic project since the founding of the Republic of Turkey. It was an active part of the daily experience of the common people. Still, the question remains: how do the power struggles among the political elite translate into specifically Islamist projects? Is it because Islam exists as a reservoir of symbols waiting to be called to duty when the time comes? And when does that time come? During times of economic and political crises? Why is it that the “crises” taking place in Muslim societies call for the rise of Islamic ideological projects? Is it because the society is predominantly Muslim? If the answer is yes, this is nothing short of tautological!

The politicization of Islam could be seen as an outcome of the end of modernization ideology (i.e. the principles of national sovereignty embedded in the nation-state and industrial economic development projects) and the rejection of Western ideas of secular nationalism by non-Western cultures. Some argue that we are witnessing a proliferation of traditionalist, particularistic, religious-oriented political opposition to the universalizing ideology of modernization and westernization (the conflation here is intentional) (Youssef, 1985; Juergensmeyer, 1993). They believe that the Islamic resurgence is a symptom of the crisis of universalism. Behind this position lie ahistorical notions of Islamic culture and the West which postulate
unchanging cultural essences for both. At the same time, by attributing a universal status to the modernization project, this position does not allow for various conditions which make it possible, nor for complex processes in the construction of this project; nor for the possibility of its transformation. That is to say, it becomes impossible to explore the actualization of the modernization project in a particular place and the emergence of new and complex political moves within it.

Modernization has dominated the political arena since 1945 in the majority of "Third World" countries as part and parcel of the decolonization process which incorporated former colonies into a system of national states. A strong emphasis on national independence and industrial economic development make up its ideological underpinnings. Modernization is not a universal phenomenon but a historically specific form of organizing the relations between economic, military, political and cultural-ideological processes. Thus, the salient point here, as B. Sayyid has argued (1994), is to recognize the historicity and specificity of the nation-state in different historical situations, i.e. in non-Western societies, in terms of a link between the ideology of modernization and the dominant position of the West in the international system.

The political rise of Islam cannot be seen as a particularistic-traditionalist opposition to the universalism of modernization, but as a political struggle for new hegemony in a mutually constitutive interaction with the changed (or, changing) place of the nation-state in the political and economic space of the world capitalist economy. This involves economic and military-political dimensions of power which operate both within the social space of the state and in a world historical setting. These dimensions of power are intertwined but they are not identical. For example, a state might be of primary importance in politico-military processes while being secondary in the economy, or the reverse. Thus, the separate yet contingent conjunction of economic and military-political processes become the subject for an analysis of the changing conditions of the nation-state.

The idea is to understand how a unified conception of national political space is constructed in a way that opposition and dominant strategies have been articulated to the ideological division between traditional/Islamic and modern/Western. The ideological social division could be seen by examining shifting state strategies as situated within a wider geo-military and economic frame of reference. Oppositional projects do not emerge only from the internally dichotomic character of society but also in
various responses to economic and military relations of international power. Political struggle, contestation and resistance are at the heart of any project attempting to articulate the political space.

The question I am raising would normally be classified as a matter concerning Islamic "fundamentalism" in Turkey. I do not use this term in my work. Seeing Islam in fundamentalist terms conceals the transnational aspect of the phenomenon. It fails to recognize the elements of opposition to Western economic-political-strategic and cultural domination of non-Western societies. At the same time, it does not focus on the role of Islam as a complex set of cultural values shaping the everyday life of individual citizens. There is no homogeneous cultural reality of Islam which corresponds to a national state. Islamic cultural values remain to be constructed by political parties, political factions, including the military, as part of various political strategies developed at the national level within the context of larger relations of power. I am rather sceptical about the categorical designations of East and West and/or Islam and West. Moreover, I am very careful not to get into a polemical discussion about Islam in its own right. I have no interest in and no capacity (at least in the present context) for conveying what Islam is really all about.

My focus will be on the rise of Islamic politics as a product of interactions between the national space and the larger relations of economic, cultural and politico-military processes as mediated via the domestic political alliances formed within the space of the state. The aim is to analyze Islamic ideologies and institutions as the political arena for playing out the tensions between the national and international spaces of the economic and political-military dimensions of power. As I have stated earlier this requires an investigation of the formation of and changes in state strategies as situated within a wider geo-military and economic frame of reference. The argument once again is that political projects - Islamic or otherwise - cannot be a unified object of analysis independent of their articulations at the larger level of politics and history, and cannot be understood without a close attention being paid to immediate human experience.

1.2. An Overview of Chapter Outlines

It is now useful to provide an overview of what is to follow. Chapter II addresses the theoretical issues raised specifically in relation to Turkey - issues which concern the interplay between the Kemalist
trajectory and the politicization of Islam. This should clarify the strengths and weaknesses of the major theoretical perspectives, and show the significance of my work in offering an explanation for the rise of Islamic politics. My own theoretical approach will be developed in Chapter III.

Chapter IV analyzes the legacy of the Ottoman Empire as inherited by the modernizing elite of Turkey in an attempt to construct an ideology of modernization. Here the most important task is to identify the conditions and trajectories of change from the patrimonial arrangements of the Ottoman classical system during the nineteenth century.

Chapter V covers the period between 1918 and 1945. It describes the construction of the Kemalist trajectory of modernization as a nation-state project which used secularism as its ideological foundation. This chapter traces the formulation of the Kemalist project under the conditions of the First World War peace settlement.

Chapter VI discusses the consolidation of the Kemalist industrialization project during the 1930s in terms of the impact of the Great Depression on economic development strategies. It argues that Kemalist anti-liberal economic policies created an oppositional political space between the statist economic policies of the bureaucrats and the increasing discontent of the peasants.

Chapter VII covers the period between 1945 and 1960, from the establishment of the multi-party political system to the 1960 military coup. It discusses the role of both internal and external factors in creating the conditions for the transition to a multi-party regime in the immediate aftermath of the Second World War. The extent to which the government created the possibility for the political mobilization of discontented groups and the incorporation of peasant culture into the state structure is examined in relation to the DP’s rule between 1950 and 1960. This possibility is analyzed in terms of Turkey’s Cold War strategies vis-a-vis the Soviet Union and the non-aligned Middle East.

Chapter VIII examines the economic policy shift from industrialization to rural and agricultural development between 1945 and 1960. This discussion is carried out in relation to shifting American strategies for the Cold War re-organization of the world capitalist economy under U.S hegemony. The chapter argues that the rural-agricultural development project of the DP made rural producers permanent partners in the social coalition politics of industrialization.
Chapter IX explores the re-formulation of Muslim politics by religious orders and Muslim intellectuals during the 1950s. The aim of these groups was to lay the intellectual foundation for a movement directed toward re-embedding industrialization strategies into national society under the regulatory framework of Islam.

Chapter X examines the period between 1960 and 1980, an era in Turkish politics which starts with the military coup of 1960 and ends with the 1980 IMF-imposed structural adjustment program to a market-oriented economic policy. This chapter explores the connection between the industrialization plans of the period and the growing international rivalries between Western Europe and the U.S on the one hand, and Turkey and the United States (over the Cuban-Turkish missile crisis and the Cyprus problem), on the other. The adoption of state-led heavy industrialization policies are traced to Turkey’s closer economic ties with the EEC - a strategy adopted as an alternative to relations with the U.S. Labour migration to Europe and the inflow of worker remittances receive a particular attention to show how the industrialization strategies of the period were sustained. I will argue that when labour migration came to an end after 1974, national economic stability was compromised in terms of the availability of foreign exchange.

The economic analysis of Chapter X is linked to the political and military relations of the period discussed in Chapter XI, which argues that the Cyprus War of 1974 and U.S detente with the Soviet Union marginalized Turkey in the state system. After examining the external conditions of Turkey’s marginalization in the Atlantic state system, and the implications of these conditions for industrialization strategies, this chapter explores Turkey’s attempts to maneuver for autonomy by cultivating ties with the Muslim states in the Middle East and the Soviet Union. This analysis is linked to the international Muslim politics of reshaping Islam, on the platform of the Organization of the Islamic Conference.

The assessments presented in chapters X and XI regarding the external economic and political-military conditions of change are linked in Chapter XII to the emergent national trajectories of response as employed by various capital groups and political parties. Chapter XII concludes that none of these trajectories was elevated to a dominant position capable of shaping a national development ideology. Rather, uncertainty was the defining feature of power politics. The major turning point from this uncertainty is not described until chapter XIII.
Chapter XIII covers the period between the September 12, 1980 military coup and the end of the 1980s. This era signifies the transition to a transnationalist market-oriented economic model. It includes the Motherland Party’s (MP) rise to power in 1983, and ends when the transnationalist model began to experience major weaknesses in its economic performance. The economic policies of the MP government are given particular attention in order to examine the ways in which the market-oriented model was articulated along several new economic policy lines, including anti-statism, an export-orientation, and privatization of the economy. This discussion is linked to international Muslim politics and geo-political realignments in the Middle East which were directed towards forming a “moderate Islamic bloc” (after the Islamic revolution in Iran and the Soviet invasion of Afghanistan). The foregoing analysis enables me to assess the connection between the economic policy shift and the re-granting of Turkey’s strategic importance by the U.S. as well as the connection between the regional configuration of Muslim politics and national economy. This chapter also includes an assessment of the articulation of transnational Islamic institutions and capital into Turkish politics. In particular, I review the role of Saudi Faisal Finance and the Al-Baraka in their joint ventures with the Naqshbandi oriented economic sector of Turkey.

The rise of Muslim politics, the incorporation of contending Islamic projects into the state structure and pro-West economic liberalism is discussed in Chapter XIV.

Finally, Chapter XV summarizes the “findings” of chapters IV through XIV. It weaves their separate conclusions together into a general account of the conditions of possibility and the transformation of nation-state projects in a non-Western society, whose economic and military-strategic position in the political organization of the world economy has separate significance.

It is now appropriate to address the theoretical issues raised specifically in relation to Turkey. A portrait of Turkish politics as such will constitute the general frame of the theoretical and methodological discussion on the literature of social and political change in Turkey.
II. THE LATE DISCOVERY OF POLITICAL CULTURE: THEORIES OF TURKISH STATE-BUILDING

In what follows I will present a theoretical portrait of Turkish politics. I want to look more closely at how different theoretical approaches explain the interplay between the rise of Islamic politics and the Kemalist trajectory of change. Over the last four decades, there have been a number of profound changes in the theoretical perspectives used for the analysis of the processes leading to economic policy shifts between state protection and the market-oriented economy. There have also been significant changes in the perception of how important the geo-strategic, economic and cultural-ideological dimensions of the state are with regard to this issue. There are three major theoretical perspectives which offer an explanation for the interaction between the Kemalist trajectory and Islam created around the relationship of state-protection and the market-oriented economy. These are: 1- the modernization perspective; 2- the center-periphery approach; and 3- Marxist theory. Turkey has been an important case study for these theories. The following literature review will underline some of the contributions and drawbacks of these theories in explaining the politicization of Islam in Turkey.

2.1. Modernization Theory

I would like to start by “unpacking” the dominant themes of the modernization approach. One reason for this is that modernization theory discloses certain possibilities of change and labels them as “natural”, “rational” or “progressive”, thereby precluding other possibilities as “irrational”, “traditional”, “backward” or “reactionary”.

Modernization theory assigns two meanings to “modernization”. The first is economic - referring to issues of production and productivity. This meaning of modernization focuses attention on the processes of accumulation, that is, on ways of determining and organizing surplus product so that it can be invested to expand and improve production most efficiently in order to achieve the lowest production cost and greatest comparative advantage in world markets. Modernization, then, is a process of increasing “rationality” through the development of large scale production which replaces small-scale production.
This meaning of modernization is virtually identical with capitalist industrialization. W.W. Rostow’s *The Stages of Economic Growth: A Non-Communist Manifesto* (1960) is the classic example. Beginning with the question of why capitalist industrialization is taking place in certain countries and why it seems to be a remote prospect in other countries, Rostow identifies the obstacles to industrialization inherent in the so-called traditional society. This model for industrialization seems to be the nineteenth century transformation of Western societies from agrarian to industrial economic structures.

According to Rostow, the construction of the social structure of the industrial economy should follow a process which “releases” the forces of modernization. These forces are seen as inherent to all societies. Thus, the removal of “barriers to modernization” and “resistance to change” lies at the center of the nation-state project in Rostow’s theory. The underlying theme in his work is that the removal of cultural barriers leads to industrial economic development through the unleashing of an entrepreneurial spirit, with the help of a modernizing elite and the adoption of Western culture and technology. Once this task is accomplished, there is ample room for the industrialization process to begin. Rostow sees the problem of industrialization in terms of shortage, i.e. shortage of capital. After identifying the “backwardness” of traditional culture as the source of immobility in “traditional” societies, Rostow presents international economic aid as the most important mechanism in overcoming shortages of capital and the “backwardness” of traditional culture.

The second meaning of modernization is “cultural”, and has been associated with the term “westernization”. An early example of this view can be seen in *The Progress of Underdeveloped Areas*, edited by B.F. Hoselitz in 1952. Cultural modernization is thought to be necessary for increasing “rationality” in the organization of economic and social activity, achieved through the development of the market. The mechanism of market competition mobilizes resources and stimulates energies for economic change and growth, in contrast to the immobility and conservatism ascribed to “traditional” culture in “blocking” development.

The cultural meaning of modernization is clearly expressed in D. Lerner’s earlier analysis of several Middle East countries, including Turkey, in *The Passing of Traditional Society* (1958). According to Lerner, traditional society is in decline, and Islam is defenceless against the rationalist and positivist
spirit of modern culture (Lerner, 1958: 45). The role of the mass media, urbanization, and industrialization, along with the increase in literacy and formal schooling are the most important elements of “the passing of traditional society”. Lerner focuses on the spread of new values and life styles through the communication networks of urban life.

Lerner identifies three stages in the modernization process: tradition, transition and modernity. For him, transition implies that the psyche of the members of traditional society is turned towards the modern urban society, and shaped by physical, social and psychic mobility. Lerner assumes that the process of modernization is positive and inevitable, yet its sustenance depends on a new type of personality structure furnished with a new set of inner mechanisms of empathy. He claims that tradition is unable to withstand “modernity”, and insists that the Western model will be established in virtually all modernizing societies on all continents of the world, regardless of variation in race, colour, and creed (Lerner, 1958: 46).

According to Lerner, increasing “rationality” in the organization of economic and social activity involves such processes as urbanization, secularization, formal mass education, and communication. It is expected that these will be followed by “political development”, which is conceptualized in the form of increased political participation, national integration and the development of liberal democratic institutions (Lerner, 1958). According to Lipset (1959: 83), the political consequence of modernization is overall stability, social harmony and lack of extremist ideologies. For those in “the lower strata, ... increased income, greater economic security, and higher education, permit (them) to develop longer time perspectives and a more complex and gradualist view of politics”. Modernization is assumed to result in the “end of ideology” for lower classes and peasants (Bell, 1960).

According to this model, Turkey is seen as having gone through the first stage of a “modernizing revolution”, under the intellectual leadership of a “bureaucratic elite” during the single party era of the 1930s (Trimberger, 1978; Ross and Ross, 1971). Kemalist modernization reforms were attributed a revolutionary quality against the traditionalist and Islamic elements in society. The transition to a multi-

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1 Lerner emphasizes that one of the most crucial aspects of modernity is the development of a “mobile personality”. Mobile personality is characterized by rationality and empathy, defined as capacity to see oneself in the other’s situation, which enables newly mobile persons to operate efficiently in a changing world (Lerner, 1958: 49-50).
party political system in 1945 was also seen as a positive outcome of the political changes initiated by the 
"modernizing elite". That is, the multi-party system was to become the mechanism for providing peasants 
with increased integration into the national economy and political process (Karpat, 1959).

In terms of "political development" Turkey occupied a special place in Lerner’s theory of 
modernization in the Middle East insofar as Turkey, in comparison with Egypt, successfully completed the 
process of transition from tradition to modernity (i.e. the modernists succeeded over traditional Islamists). 
In Turkey, Kemalism articulated a more totalistic secular conception of nationhood. Kemalist control over 
the state profoundly displaced Islam from the public arena. In Egypt, however, Nasser took a gradualist 
approach in his reform program, utilizing Islam to legitimize his secularization project. According to 
Mazrui and Tidy (1986), he was a Muslim modernist rather than a radically secularist leader.

According to Lerner, Turkey’s transition from a single party regime under the RPP to a multi-party 
regime and DP rule was realized in the context of the secularist legacy of Kemalism. Lerner regarded this 
transition as a "political take-off" toward further democratization, national integration, and the transmission 
of modern culture to the entire citizenry. This interpretation of the transition to a multi-party political 
system has been shared by many scholars. Among them are Karpat (1959), Frey (1965) and Weiker (1973). 
From this perspective, the continuing strength of Islamic belief and practices has been interpreted as 
resulting from the cultural backwardness of the peasants, which needed to be remedied through education 
and further modernization. As a result of this line of thought, B. Toprak has noted that "the degree to which 
Turkish political culture is shaped by religious values has remained unstudied" (B. Toprak, 1981: 57).

In terms of stability and orderly change as envisaged within the theory of political development, 
Lerner conceptualizes nationalism as important at the transitional stage of modernization. Since he sees 
modernization as having occurred "naturally" in the West, nationalism in the rest of the world becomes an 
ideological means of "inducing" changes from above by diffusing western technology, values and 
institutions. He makes this contention in the following way:

"these societies-in-a-hurry have little patience with the historical pace of Western development;

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2 Fouad Ajami has developed this argument further with regard to the relationship between political authority 
and varieties of Egyptian Islam. See his "In the Pharaoh’s Shadow: Religion and Authority in Egypt" Islam in the 
what happened in the West over centuries, some Middle Easterners seek to accomplish in years. Moreover, they want to do it in their ‘own way’.” (Lerner, 1964 (1958): 46).

It is here where Lerner conceptualizes a second meaning for nationalism. For Lerner, nationalism also has a negative meaning. It is the ideological expression of the political ambivalence of the transitional psyche towards a Western type of society. He conveys this negative aspect of nationalism as follows:

“A complication of Middle East modernization is its own ethnocentrism - expressed politically in extreme nationalism, psychologically in passionate xenophobia. The hatred sown by anticolonialism is harvested in the rejection of every appearance of foreign tutelage” (Lerner, 1964 (1958): 47).

For Lerner, nationalism in the Middle East appears both as an inevitable result of modernization and a regrettable and frustrating diversion from transition to modernity. Nationalism is the political expression of ambivalent feelings towards the West, which appears to be the product of the breakdown of traditional society under the impact of those values, institutions and technology diffused from the West. On the other hand, according to Lerner, these Middle Eastern societies appear to be unsuccessful in diffusing Western values and institutions from modern to traditional sectors within the country itself - thus preparing the ground for instability, lack of national integration and the emergence of extremist ideologies.

Following Durkheim’s theory of anomie, N. Smelser elaborates on various social disturbances, including political violence, hostility, and “ideological” politics. He sees them as an outcome of the clash of tradition and modernity. According to Smelser, in the process of establishing a fit between industrialization and modernity, social disturbances might occur, but the solution lies in getting rid of them. Effective strategies here include government repression of protests and preventing the spread of counter ideologies. This requires a “strong, centralized government” and the use of nationalism (Smelser, 1969: 60-61). In this tradition of thought we now see the conceptualization of political order as one based on political power, use of force, containment and if necessary suppression rather than contentment and harmony. The emphasis has thus changed from democracy to political order.

The issue of social disturbances and the question of political order also appear in S. Huntington’s book Political Order in Changing Societies (1968). Huntington sees social disturbances as a lack of fit between political mobilization and participation on the one hand, and institutionalization and political organization on the other. He develops his theory that modernization, operationalized as industrialization
and urbanization, extends political consciousness, multiplies political demands and broadens political participation. These changes undermine traditional sources of political authority and political institutions, and complicate the process of creating new bases for them. The result is political instability and disorder. The problems associated with "passing through traditional society" are then explained by insufficient institutionalization and a sense of anxiety and/or emotional response coming with this social "vacuum", thereby threatening the political order. A certain level of suppression and force thus becomes necessary.

Similar views on insufficient institutionalization are also shared in mass society theories. W. Kornhauser, The Politics of Mass Society (1959), defined mass society as "naked", meaning a society with a minimum of social networks on the intermediary levels, where the masses stand unprotected against all kinds of political and cultural manipulation. According to Kornhauser, in modern society local, ethnic, religious and class communities tend to dissolve into mass consciousness and mass solidarity. H. Arendt's Origins of Totalitarianism (1961) extends this view of mass society. Basing her theory on the rise of the Nazi regime, she claims that the transition from a "traditional" society to a "modern-industrial" one contains a loss of community and culture, resulting in acute feelings of insecurity among the masses.

Arendt's theory is built on the assumption that the atomization of society had started during early industrial capitalism, but at that time affiliation in class-based social organizations such as trade unions and political parties had attained a certain stability. Following the First World War, this system broke down and opened the way for total atomization. Arendt characterizes mass society as a lack of meaningful social relations. In mass society human beings lose their social networks, and moral standards cannot be maintained. In such a society disorganized insecurity among the masses is transformed into organized insecurity via militarism, state use of force and suppression.

According to mass society theories, modern society provided no viable alternatives to make life meaningful while it was "passing through traditional" arrangements. Similarly, in the case of Turkey, scholars critical of modernization theory hold the view that Kemalist ideology has failed in creating a meaningful medium in the lives of the common people. S. Mardin is one of these scholars.

Mardin (1986) explains the rise of religiosity in modern Turkey as inscribed within the Kemalist ideology of modernization. He writes:
"...Kemalism neither had an extensive explanation of how social justice was to be achieved nor did it provide a more general ethical underpinning of society by drawing its social principles out of a credible ideology. Turkish nationalism has been the only ideology of Kemalist origin to have had an unmitigated success. The republic created this ethical vacuum in a society where religious and ethical commands had been important - i.e., they constituted the core of the traditional social philosophy. The Ottoman middle classes - artisans, craftsmen, and merchants - saw society as an enterprise which had to be shaped by the commands of the Qur'an. Indeed, the ideal of a harmonized society was framed by religion. The inability of Kemalism to provide a social ethos that appealed to the heart as well as to the mind was more disorienting than would appear at first sight. This is also one of the reasons why Islam's chances in Turkey are not tied simply to the conservative leanings of the masses. There is an 'objective' side to the influence of Islam, which is extremely powerful although difficult to analyse, and this is its ability to marshal a rich store of symbols and ways of thinking about society." (Mardin, 1986: 155-156).

The main metaphor used by mass society theories is that of the isolated-lonely-confused individual. This metaphor has also been utilized to describe the Islamic orientation of masses in Kemalist Turkey. Yet Mardin's religiously-oriented masses do not have the frightening image of the individual in mass society as described by W. Kornhauser and H. Arendt. Mass society theories treat individuals as masses who have had lost much of their humanity. These masses are seen to dominate society. In Mardin's approach, however, it is the modernizing elite and their reforms that dominate and shape the society. Mardin's concern is with the effects of modernizing reforms on the everyday life experience of individuals. He sees the rise of Islam in politics as a protective response of the masses to moral deterioration and cultural impoverishment as conditioned by the Kemalist reform program. He argues that religion provides a cultural fund against the meaninglessness of Kemalist ideology in the lives of many people. According to Mardin, both the Nurcu sect (Mardin, 1989) and the Naqshbandi tariqa (Mardin, 1991) take the need for a "view of the world" seriously and make Islamic teaching accessible to the masses without emptying it of its mystic qualities. They do so without rejecting science and technology as vehicles for the establishment of an industrial economy. In this sense, Islam appears to be an alternative to the modernization project of Kemalism.

Unlike Mardin, who is concerned with the problems of Kemalism, theorists of Turkish modernization see the politicization of Islam as being rooted in the "ignorance" and "cultural backwardness" of the masses. These theorists were making observations, similar to those of Smelser and Huntington, regarding social disturbances and the appeal to nationalism - a religiously-inspired one, to contain the political and economic discontent of peasants with the modernization program. According to F.
Frey (1963), the transition to multi-party politics in 1945 created mechanisms for the peasants to participate in national politics. This, in turn, placed strains on the political system in such a way that there was no economic mechanism to accommodate their increased demands for a higher standard of living. Frey also suggested that the culturally "backward" status of peasants was a threat to the very survival of the secular nation-state. For him, the political participation of peasants was a source of political instability in Turkey. As a response to this instability, Harris (1965), Weiker (1973) and Tamkoc (1976) advocated the further education of peasants and political control under the "tutelage" of the modernizing elite (especially the military part of this elite).

In modernization theory, the appeal to nationalism, including religious nationalism, is explained as an emotional response to anxiety and a social vacuum. However, the theory does not explain the connection between various situations of strain and their linkage to symbols and beliefs. Why do the emotional anxieties of individuals assume a collective response? Why the elaboration of symbols? These questions remain unanswered. Nevertheless, the observations of Frey, Harris, Weiker and Tamkoc are still shared in recent scholarly work published in the 1980s on the subject of Turkish politics and the state-Islam relationship.

Heper's article "Islam, Polity and Society in Turkey: A Middle Eastern Perspective" (1981) presents a similar argument. Heper's position starts with the following question: "What gives alarm, of course, is the possibility of a mass uprising against central political authority. What brings about such an upheaval?" (Heper, 1981: 346). He proposes a research strategy to investigate such variables as leadership, religious doctrine, ecclesiastical organization and situational factors - which include cultural, economic, political, social and psychological variables - to uncover the rise of Islam within the Turkish context (Heper, 1981: 347). Here the rise of Islam is seen as a matter concerning the geographically and socially peripheral groups who have not been completely integrated into the national economy and political system.

In "Politicization of Islamic Re-Traditionalism: Some Preliminary Notes" Sayari (1984) sees the recent politicization of Islam as a traditional reaction against modernization. Here, the re-traditionalism of Islam is considered in terms of the increased search for communal solidarity and identification. The cause was the unsettling impact of modernization and the feeling of homelessness it engendered. This was
marked by a number of processes including the separation of the individual from collective entities (due to high speed of urbanization and migration from rural areas), the rise and consolidation of the state, the breakdown of community as an all-embracing entity, uncertainties about the moral framework of life, and the crisis of meaning (Sayari, 1984: 122). Following a line of thought similar to that of Smelser and Huntington and influenced by mass society theories, Sayari suggests that the mass feeling of homelessness did not rise spontaneously. In many cases the re-affirmation of Islamic feelings and traditions was actively encouraged by both governing elites and those in political opposition, who faced the problem of political legitimacy in relation to economic development projects and national integration - programs induced by the modernization project itself.

I. Turan also shares this view. According to Turan (1991), “religion in Turkey appears to be an underlying dimension of membership in community, it has a moderate role in the achievement of political legitimacy, it is one of the bases of political ideology, and finally, it is a source of values which affect political goal-setting and behaviour in society” (Turan, 1991: 52).

All these works by Sayari (1984), Heper (1981), and Turan (1991) share a consensus that Turkey, unlike most Islamic countries, had become used to secularism, participatory democracy and other political aspects of modernization. Islam does not represent a major challenge to the political system in Turkey, given that it only plays a limited role of legitimation in politics. (For Sayari, the military - by carrying on the modernizing values of Kemalism, is not likely to tolerate any attempt at a fundamental re-structuring of society under religion.)

These observations on the case of Turkey underline a problem area in the modernization school’s approach to cultural symbols and beliefs. Dealing with the question of the loss of collective meanings of solidarities, modernization theory on Turkey directs attention to the disintegration of traditional communities and the problems this has raised for reconstruction. “Society”, which is “passing through tradition”, must be re-made into a cohesive unit through state intervention. Here we see how Durkheim’s account of religion comes into the picture. For Durkheim, the condition for rebuilding community was based on the emergence of a collective system of values and beliefs (Durkheim, 1915). In modernization theory, the mechanisms for the reconstruction of a new “society” are collective ideologies such as

All of these theories of social change in Turkey indicate that Kemalist ideology has not been consolidated in the minds and hearts of the general population. Nevertheless, excepting the work of Mardin, none of these theories attempt to analyze the problems within Kemalism concerning the reconstruction of society. The ineptitude, ignorance, traditionalism and backwardness of the common people are suggested as providing the ground for the political rise of Islam. What is not analyzed, however, is the link between these negative “qualities” and Islamic beliefs and symbols.

In the modernization approach Islam is seen as a traditional reaction against modernization. Religious beliefs and symbols are given a “natural” quality. Islam becomes a store of pre-existing values and customs in defining a community of tradition against the Kemalist modernization project. If Islam is regarded as an attempt to remake society - to recreate a community of “natural” traditions - in reaction to Kemalism, modernization theory, underlines a problem area in its definition of “society”. “Society” is defined in terms of an a priori equation with a community of tradition, and attributed a natural quality with pre-existing traditional values and customs. In a manner similar to Durkheim’s use of religion (Durkheim, 1915), only societies with moral cohesion are defined as societies, only societies with religion are societies. In this approach the basic equation is between moral integration and religion. It is here that nationalism is conceptualized as the “revitalization” of “tradition” (Gellner, 1983; A.D. Smith 1991). That is to say, an earlier focus on the dichotomous conception of modern versus tradition now appears to be challenged in a way that “tradition” might be used to reconstruct “the society”. Here we face the question of what “tradition” is to be chosen, why, by whom, and how it is to be revitalized. In the case of Turkey, modernization theory remains silent on these questions.

The research carried out by Behar (1992), Insel (1990) and Koker (1993) has shown that the Kemalist making of Turkish society involved an “uncovering” of a pre-Islamic cultural essence, which Kemalist nationalist believed constituted a distinct folk culture. In the process, the competing claims of Islam were weakened, religious-cultural heterodoxy was suppressed, and state control over the lives of people was established. As B. Lewis (1988 and 1968: Ch.10) has shown, this project was intended to marginalize Islamic identities.
Modernization theory as evaluated by Smelser and Huntington suggests close connections between nationalism, the use of force and the question of political order, rather than an emphasis on political democracy. The focus on social disturbances seems to introduce an element of indeterminacy into the ways in which modernization proceeds - in the sense that it is conceptualized as a deviation from the expected result of modernization, that is, political democracy. In other words, it becomes an accepted truth that the actual course of social and political change in the non-Western world has deviated sharply from the projections of early modernization theorists. Crisis and breakdown are commonplace in the course of modernization.

This has led some theorists to give their attention to a particular conception of the state. For them, "Political development" can only occur through a strong state that actively, and in an orderly manner, tutors the traditional elements in society on the path to modernization. This conception attributes "neutrality" to the state as an institution which serves the common good, above the differentiated interests of various social forces. It also justifies authoritarian politics. Political parties which are responsive to popular social forces are seen as returning to the "backwardness" of traditional society. This is considered dangerous for the survival of the state itself, reflecting a very real fear of active participation in politics by the majority, which in turn leads to the justification of a strong interventionist state. According to theory, the modernization process contains elements of people's emotional responses to the breakdown of traditional society and loss of the old culture. These responses must be kept in check by a strong-centralized state and nationalism.

It should be noted, however, that modernization theory never considers the possibility of abuse of power by the "modernizing elite" while it "tutors" peasants and lower classes towards modernization. This constitutes a major impediment to effectively analyzing the Turkish case. The abuse of power by the ruling elite, including the civil-military bureaucracy, was the major source of discontent during the single party era in Turkey (Tuncay, 1981; Pamuk, 1988; Insel, 1990). As extensively discussed in chapter 7, the transition to multi-party politics was greatly affected by the mobilization of peasants' votes against this abuse of power by the RPP "modernizing elite". In fact, peasants' memories of RPP abuses played a major mobilizing role years later - to such an extent that the RPP has never been elected to form a majority
government in Turkey since the 1950 elections (Cakir and Cinemre, 1994). It is in this context that R. Cakir (1991) evaluates the rise of an Islamic alternative not as a traditional reaction against modernization but as a popular response to the abusive use of power by state officials.

2.2. The Center-Periphery Approach

In contrast to modernization theory, which expects a strong-interventionist state to bring about change in an inherently “traditional” society, the starting point of the “center-periphery” approach has been the critique of a strong state thesis. The concepts of “center” and “periphery” have been adapted by S. Mardin (1973) and applied to the case of Turkey. Being critical of the universalist assumptions of modernization theory, S. Mardin has developed this approach to deal with the specificities of Ottoman-Turkish history. He claims that the division of political space between traditional/backward and modern/progressive elements is a pathological one which centralizes power in the hands of the ruling elite and prevents the emergence of civil society with an autonomy from the state. The idea of civil society is found in the institutional and ideological pluralism within society which reflects actual political, ideological and economic experiences of people. Civil society is that set of diverse intermediary institutions which are strong enough to counterbalance the state and prevent it from dominating and atomizing the rest of society (Gellner, 1994).

The terms “center” and “periphery” are used to refer to the polarity between a very strong state (center) and a weak society (periphery). The center-periphery approach suggests that politics in Ottoman-Turkish history was characterized by the imposition of a patrimonial state over an extremely weak society. A patrimonial arrangement in the Ottoman Empire is contrasted, though implicitly, with the “absolutism” of Western European societies. P. Anderson (1974) has argued that in the Western European “lineage” a feudal crisis marked by the collapse of serfdom was followed by a centralized monarchical regime equipped with an elaborate military, administrative, fiscal and legal control apparatus. Each of the absolutist states in Western Europe was built on the combination of absolute public authority of the

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centralized state with absolute private rights of property. According to P. Anderson, absolutism is the bridge to the emergence within feudalism of the capitalist mode of production. In the process, the struggles of cities, classes, interest groups, and the church are expressed and institutionalized while their autonomous status is recognized. According to Mardin (1973: 170), “In the Ottoman Empire before the nineteenth century these characteristics of multiple confrontation and integration seem to be missing. Rather, the major confrontation was unidimensional, always a clash between the center and the periphery.”

In spite of the formal similarity of state structures, the Western European and Ottoman “lineages” are very different. Absolutism was a phase of Western European feudalism in the transition to a capitalist mode of production; the structure of the Ottoman state was not accompanied by feudalism, nor did it have a capitalist outcome.

Mardin’s approach, in a way reminiscent of modernization theory, is heavily influenced by the presence or absence of Western political arrangements in a non-Western historical setting. The absent element in the Ottoman Empire was civil society. Unlike modernization theory which expects an effective and decisive break from the institutions associated with the past, the center-periphery approach focuses on limits, specifically, those set by the historical continuity of political arrangements between the Ottoman Empire and modern Turkey. Mardin identifies patrimonialism, not absolutism, as the defining political arrangement in the Ottoman Empire, which has been inherited by the modernizing elite in their efforts to build the nation-state. Mardin’s concern, then, is with the broad structural constraints placed by the patrimonial arrangements of the Ottoman Empire on the range of possibilities for the state structure and policies in Turkey.

The patrimonial legacy, which was conceptualized to explain the absence of autonomous social forces, was not something representing the absolute personal rule of the sultan, but a highly complex institutional structure defined by the dependence of social, political and economic institutions on the authority of the state. Therefore, the main source of conflict was between the state and various groups in the periphery, which demanded autonomy or greater strength in relation to state power. As Sunar (1987) has explained, this does not mean that the Ottoman political order was necessarily static or stable. There were conflicts within the Ottoman Empire, especially over political power and the control of land. But
these were characteristically patrimonial conflicts that tended to upset political authority. They did not affect the overall structure of society (Sunar, 1987: 63).

According to Mardin, there are many reasons why the opposition of the center and periphery became the outstanding issue of Ottoman political and economic life. One reason concerns the existence of a large contingent of nomads in Anatolia and the state’s difficulty in dealing with them in a way which would promote settled agriculture (Mardin, 1973: 170-171). The basic cleavage between nomads and the sedentary population (as well as the state) can still be seen in Eastern Turkey today - a cleavage which is strongly linked to the insurgent Kurdish nationalism in Southeast Turkey (Yalcin-Heckman, 1991; 1993).

Another component of the center-periphery fracture was the center’s suspicion of the remaining traces of pre-Ottoman nobility and a number of powerful families in the provinces (Mardin, 1973: 171). F. Ahmad (1993: 15-30) takes up the issue of patrimonialism and relates its emergence to the conflictual relationship between the ruling center and the Turcoman notables of Anatolia. Turcoman notables tended to undermine the Sultans’ attempts to create a strong state. This was characteristic of center-periphery relations until the fifteenth century when the Turcoman notables were eliminated as a political force. Their elimination also destroyed any possibility of an independent Ottoman landowning aristocracy, which the notables might have become, creating a counter-force to the sultan. Although notables were eliminated, the suspicious attitude of the center towards heterodox elements in society remained an underlying characteristic of the center, which has also been inherited by the Kemalist nationalists of modern Turkey.

Another aspect of the center-periphery cleavage, according to Mardin, was the tension between the religious heterodoxy in Anatolia and the Islamic orthodoxy of the center. The Anatolian provinces were hotbeds of intractable religious heterodoxy.

"Turbulent sects, syncretic cults, self-appointed messiahs presented a long-lasting and well-remembered threat. When the Ottoman provinces occasionally became havens for pretenders to the throne, the periphery gained the added onus of having served as a launching pad for rebellions." (Mardin, 1973: 171).

The Anatolian religious heterodoxy was again something to be feared by the center. This led the ruling elite to either suppress it entirely or dominate it through creating new forms of religious orthodoxy.

Turkish politics is characterized by a long accumulation of political experience as opposed to
discontinuity with the past. For Mardin (1981), nation-state making in Turkey cannot be restricted to a brief time span - something rushed by a modernizing elite under the leadership of M. Kemal. Nation-state making was the culminating of a long process of searching for nationhood, beginning with the Tanzimat era of the Ottoman Empire. It was predicated on the Ottoman search for nationhood and carried a strong legacy of patrimonialism into Turkey (Mardin, 1967; 1969; 1975; 1981). The patrimonial legacy of the Ottoman Empire continues to influence Turkish politics. Intra-elite conflict still tends to define political arrangements, rather than the demands, desires or interests of peripheral forces.

In questioning the responsiveness of the nation-state to its citizenry, Mardin suggests that the peasantry, emerging commercial and industrial classes, and religious heterodoxy were approached by the “modernizing elite” with hesitation and suspicion (Mardin, 1975: 23-25). This was accompanied by an intolerance on the part of the “center” towards societal opposition. In this context, the DP, as supported by the emerging bourgeoisie, landowners and peasants, represents the victory of peripheral groups over the center. Mardin suggests that since the 1950 elections the “center-periphery” conflict has established the lines of debate between the “real populists” and “bureaucrats”. Here, the DP and its successor JP are associated with populist ideology while the RPP is seen to be the party representing civil-military bureaucratic coalition interests.

This emphasis on continuity of political tradition concerning the “center’s” suspicion of societal heterodoxy is insightful and especially useful in analyzing the ideological divisions of the question over what constitutes the “strength and security” of the state and its “enemies”. This has been the dominant theme in the justification of abusive state power in Turkish politics. It is here again that we find some explanatory ground for the military coups of 1960, 1971 and 1980, as the “center’s” reaction against the political representation of “peripheral” heterodoxy.

As A. Samim has illustrated very clearly in his article “The Tragedy of the Turkish Left”, published in the New Left Review (1981), the unifying ideology of the “center” has always been Kemalism, and in all three instances military interventions have been carried out in the name of the same ideology against the politicization of “peripheral” forces opposed to the “center”. I. Sunar and Sayari (1984) link Samim’s observation to the continuation of an Ottoman heritage in modern Turkey. According to Sunar and Sayari,
the "elite" (civil-military bureaucratic cadres) has had a traditional predominance in the political affairs of the country. The existence of political parties, on the other hand, is granted by the elite (especially the military part of the elite) and thus makes them dependent on the elite. Consequently, Sunar and Sayari suggest that from the beginning of the multi-party regime, the elite has been prone to step in when they perceive that the Kemalist principles of the state are in danger. Since the RPP has been identified as the party of M. Kemal and protector of Kemalism, other political parties are suspect for "compromising" on Kemalist principles (Cakir and Cinemre, 1991). The fact that in all three instances the military coups happened when the DP was in power (in 1960), and later its successor the JP, (in 1971 and 1980) - might be more than just a coincidence.

However, as Gulalp (1985) suggests, this kind of analysis takes the immediate causes of military interventions (indeed, their official rhetoric) as explanation. Given that each coup was preceded by a "crisis", we must first understand the complex economic, political and ideological dynamics of crisis formation in Turkey. Such an understanding can be achieved through an exploration of relations of power in the construction of and shifts in cultural unity projects attempting to articulate the national political space. In other words, what we need to analyze is active politics involved in the construction and articulation of both dominant and opposition strategies in relation to the "periphery". This requires an examination of state strategies as situated within the wider political, military-strategic and economic dimensions of power.

It is in this context that the emphasis placed by the "center-periphery" approach on the continuity in political arrangements becomes an impediment to an analysis of the change in the structure of society and the state. It becomes very difficult to analyze the dynamics of change once the center-periphery approach is adopted. My starting point, therefore, is to capture the simultaneity of change and continuity. The central question is how, why and when the concepts of change and continuity are combined and separated in national politics. This requires an examination of the mechanisms through which the national context of politics is defined. My aim is to identify stability/instability and historical moments of choice in the process of constructing political space. I will argue that an explanation of the interplay between continuity and change cannot be based on a fixed and absolute conception of "periphery" and "center". In contrast to
Mardin’s attempt to assign a permanent membership to various classes and groups in the “periphery” in a necessarily conflictual relationship with the center, we need to analyze active politics involved in the political construction of human experience and the possibility of different organizing frameworks for that experience.

Although it is weak in providing an explanation for the political construction of “peripheral” forces at the larger level of politics and history, the center-periphery approach does direct our attention to the non-class forms of domination in state-society relations. Mardin has clarified this point:

“The state’s claim to political and economic control was bolstered by its title to cultural preeminence. Relative to the heterodoxy of the periphery, the ruling class was singularly compact; this was above all, a cultural phenomenon. ... For much of the population, nomad or settled, rural or urban, this cultural separation was the most striking feature of its existence on the periphery. ... For example, (during the Ottoman Empire) the rulers adopted languages - Persian and Arabic - that were foreign to the lower classes and worked these into the official culture. The periphery only benefited from one of the educational institutions that trained members of the establishment - the religious training institutions. Not surprisingly, the periphery developed its own extremely varied counter-culture, but it was well aware of its secondary cultural status.” (Mardin, 1973: 173).

As well as identifying non-class forms of domination as a useful approach for the analysis of the Turkish case, the center-periphery approach also alerts us to the political and cultural dimensions of certain groups in conflict with the state - conceptualized as a source of autonomous power and coercion. Mardin shows very clearly that the cultural alienation of the masses from rulers, of the periphery from the center, created the possibility for violent confrontation between the two. This potentiality was further compounded by the modernization process induced from above by the center, not only during the Ottoman Empire but also especially during the single party era of modern Turkey (1925-1945). During this era the periphery was, in fact, challenged by a new and intellectually more uncompromising type of bureaucrat (Mardin, 1973: 175-179). According to Mardin, for the Kemalist bureaucrat, the state’s duty was to eliminate “intermediate” groups. The symbolic expression of bureaucratic opposition to “civil society” (intermediate groups autonomous from the state) was religion. The countryside was suspect as separatist and reactionary (Mardin, 1973: 181). In this context, Kemalist ideology perpetuated center-periphery cleavages as inherited from the Ottoman Empire; rather than bringing about substantial changes in the social structure; it was trying to modernize it by establishing bureaucratic control of the center more firmly on the periphery.
It was this aspect of Kemalist ideology that facilitated the politicization of Islam in Turkey in the form of peripheral opposition to the center.

This argument has been extensively debated and now appears to be a commonly accepted truth, especially among Turkish leftist intellectuals (Cakir and Goktas, 1991; Cakir and Cinemre, 1991). This aspect of state-society relations was first studied in the 1940s by Behice Boran, a sociologist from Ankara University and leader of the former socialist Turkish Workers Party. According to Boran (1945: 218-219), the DP’s appeal to Islam was nothing but an appeal to the culture of the periphery in the belief that the peasants and their life styles were not inferior in any way to those of the modern urban bureaucratic circles. The legitimization of Islam and traditional rural values, which Boran attributed to the DP, established the lines of political conflict between the RPP, defined as a party of the bureaucratic center, and, the DP initially and later the Justice Party (which was founded in 1961 as the successor of the DP. The DP was outlawed in 1961 by the military court). These were the “real populist” parties representing the periphery.

These aspects of the “center-periphery” approach provide a useful correction to modernization theory. They conceptualize the state as a source of autonomous power and coercion, identify ideological-cultural dimensions of domination, and highlight other non-economic aspects of human experience in forming the counter-official culture in conflict with state power. However, it has some shortcomings, in that the “periphery” is assumed to be unified with a peripheral identity. This peripheral identity is defined in terms of a counter-bureaucracy which provides a nationwide basis for opposition politics to attain unity. However, this does not explain the emergence of oppositional political projects, and their importance as organizing frameworks for the tensions embedded in the social, economic and political experiences of various groups. That is to say, Mardin’s approach makes it difficult to analyze the political construction of these experiences. Yet, the most important contribution of this approach is its emphasis on the limits and possibilities that the political legacy of the Ottoman Empire places upon the Kemalist trajectory of change.

2.3. Marxist Theory and the Turkish Left.

Marxist theory as developed in Turkey contains two intellectual trends regarding state-society relations: the Kadro movement and neo-Marxism (i.e. the dependency and world system approach). These
trends contain a powerful critique of modernization theory. Each provides an alternative explanation for such issues as political development, the strong-state thesis, stable and orderly change, and the diffusion of capital from the capitalist Western metropoles. The focus of leftist interpretations is on economic forms of domination, class interests, economic development strategies and external constraints on development.

The Turkish left has focused particularly on the critique of political and economic projects as constituted between 1950 and 1980. Their emphasis is on the extent to which economic and political projects of the era represent a departure from Kemalist principles of nationalism. At present, the focus of the left is on the effects of the September 1980 economic measures on the Kemalist project of economic development.

The era beginning with the DP’s coming to power in 1950 until the military coup of 1980 is interpreted as a departure from the nationalist principles of Kemalism. This period is described as having a “dependent” economic development strategy. The 1980s, on the other hand, are highlighted by the total collapse of national development ideology and the Kemalist principles of nationhood (Keyder, 1993b). The politicization of Islam is seen as a result of this collapse of the national development project and as an alternative route to modernization (Keyder, 1993a, 1993b; Gulalp, 1992; Cakir, 1991, 1994).

The left characterizes the RPP single party era (1925-1945) as the most progressive and nationally independent period of Turkish history (Avcıoglu, 1978, 1971; Aydemir, 1968; Cem, 1970; Erogul, 1970; Berberoglu, 1982). It is here that we see the close association made by the Turkish left between RPP etatism and a more autonomous state with a more independent national development strategy. This association leads this group of scholars to favour the RPP single party era rather than the DP and the JP regimes of the 1950-1980 period. They claim that the DP and JP periods resulted in the integration of Turkey into the world division of labour either as a “neo-colonial” economy (Berberoglu, 1982) or as a “dependent peripheral” economy (Keyder, 1981, 1987; Gulalp, 1985, 1992).

In his latest book Ulusal Kalkınmacılığın Iflası (The Bankruptcy of National Developmentalism) (1993b) Keyder is quite critical about the Turkish left’s previous preoccupation with capitalist development and the external structural constraints on it. He states:

“It is now more fashionable to confess; I too want to contribute to this trend in my small
way. When we were writing on the problematic of underdevelopment during the 1960s and 1970s, we used to criticize the scholars of modernization; we used to question the assumption that capitalist expansion could bring about development. We were rather busy developing theoretical models around imperialism, exploitation and dependency ... While we were criticizing modernization theory, what we were doing was economic reductionism. After we established Turkey's ties to the external world in terms of imperialism and exploitation, we stuck deeply and firmly to a kind of nationalism stressing such an idea as 'they shouldn't do it' but we should do it', yet we have never questioned what kind of superstructural changes this project would produce if we did it ... We could not get rid of our obsession with the external factors involved in the underdevelopment; and, therefore, we did not investigate cultural change, the relationship between individual and society, the question of cultural identity. These issues remained unquestioned by the left” (Keyder, 1993b: 108-109).

The left failed in studying cultural aspects of daily life under the conditions of capitalist development. According to Keyder, this failure was rooted in the conceptualization of “modernity” (1993b: 110-115). The left identified “modernity” with capitalism. Therefore, the leftist critique of capitalism entailed a rejection of “modernity” - referring to what Habermas called a “project” under the economic and political conditions of capitalism (Habermas, 1983: 9). The project of modernity was a one of progress. It actively sought a break with tradition and history. Moreover, it was a secular movement that sought the demystification and desacralization of knowledge and social organization, and a promotion of the control of natural forces for human liberation, creativity and individual excellence (Harvey, 1990: 12-13). It comprised a set of beliefs and values identified with Enlightenment thought which entailed a radical break with any or all preceding historical conditions. It was a quest for human emancipation from myth, religion, superstition, and the arbitrary use of power. According to Keyder, the Left has not built on these positive sides of the Enlightenment project, but rather focused on the “dark side” of human experience under conditions of capitalism (Keyder, 1993b: 110). Experiences of underdevelopment, imperialism, powerlessness, exploitation, repression, totalitarianism, and the oppressive and arbitrary use of power in recent human history were all regarded as being contained within the project of modernity. Keyder is now critical of this rejection by the left of the project of modernity. By rejecting “modernity”, and one of its constituent elements, capitalism, the left cleared the way for a dominant “non-modernist”- traditionalist critique in the intellectual and political agenda.

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4 Keyder uses ‘it’ to mean industrial development.
The left’s difficulty with the project of modernity was rooted in the challenge of interpreting what “modernity” was all about. Marx and Weber, as well as Durkheim and Simmel, offer an answer, though they express it in different ways; all hold that capitalism is central to modernity. It is not that capitalism causes modernity to be as it is, though, as both D. Sayer (1991) and D. Harvey (1990: 99-112) argue, a particular process of modernization produces conditions of modernity. Capitalist modernization is at the heart of modernity. Yet the project of modernity looks quite different depending on where and when one locates oneself. It is shaped differently in different places according to the way nationalism is used by the state ruling elite.

The particular history of the development of capitalism in non-Western societies certainly had an impact on the loss of faith in the project of modernity. Keyder argues that in non-Western societies of the Middle East, Asia and Africa, nationalism was the driving force behind the modernity project. Nationalism in these societies was a project of economic development which aimed at catching up with the technological and economic development level of the West. It was an experienced truth, however, that the “dependent” insertion of non-Western societies into the capitalist world economy resulted in a situation whereby capitalist modernization could not bring the benefits of modernity to all.

Keyder suggests that a contradictory relationship exists between non-Western nationalism and the project of modernity. Culturally, nationalism was an anti-imperialist project rejecting the Western cultural domination of non-Western societies and hoping to constitute a distinct folk culture (Keyder, 1993b: 110), yet the modernity project sought to build a Western trajectory of capitalist development into these societies. Therefore, the left focused on the anti-imperialist aspect of folk nationalism in their critique of capitalism. This was done in a way that would allow nationally-based economic development projects to be informed by folk nationalism. In this context, Keyder argues that various leftist groups and Islamists gradually grew closer in their defense of folk culture. At present Islamists dominate the critique of capitalism and link it to an alternative-Islamic interpretation of the immediate life experience of common people.

H. Gulalp (1992) and Keyder (1993b) are in agreement on Islamic politics’ critique of capitalism as a critique of modernity. According to Gulalp, Islamic radicalism is not opposed to the economic aspect of modernization as a project of capitalist economic development; Islam is a project for coping with the
modernization process. The Islamic project is against the ideology of "modernism", although Gulalp does not define the concept. D. Harvey (1990) defines "modernism" as a cultural aesthetic involving general views of life and life-styles; it is an aesthetic strategy for realizing the Enlightenment project of development through unending progress and human emancipation. As Harvey (1990: 27) argues, the history of intellectual and aesthetic modernism is much more Euro-centered, though it has a universalist stance. Gulalp argues that the aestheticization of politics through Islam confronts the Euro-centric view of the world embedded in the project of modernity. This is spelled out in the Islamic rejection of the "westernization" project of M. Kemal.

Building on the tension between globalism and localism, between internationalism and nationalism, as Keyder does (1993b), Gulalp sees Islamic politics as a response to the integrated nature of world capitalism. He suggests that the "dependent" nature of capitalist development has created a major problem for nationalism in the "Third World" by promising to replicate the modernity project of the West, but failing to deliver on the benefits. The result has been underdevelopment, exploitation, poverty, repression, and the abuse of power. Thus, secular nationalism as a modernist project has led to disillusionment in Islamic countries and disbelief that the promises of national development ideology can be delivered.

Gulalp's interpretation differs from Keyder's in relation to the importance of culture. Gulalp appears to be more economically determinist in his interpretation than Keyder, who sees the increasingly dominant position of Islamists in politics as a function of the left's failure to conceptualize the "cultural". According to Gulalp, one of the primary reasons for the growth of political Islam has been the vacuum created out of the persistent repression of progressive secular movements by oppressive regimes. He concludes by noting that: "where these movements, contending with the Islamists for the leadership of the masses against Western imperialism, have been repressed, the stage has been cleared for radical Islam to take on that role." (Gulalp, 1992: 24).

Keyder's "confession" on the theoretical shortcomings of the Turkish left reveals one important factor involved in the ideological orientation of leftist work. The RPP single party era (1925-1945) is favoured by the left despite the centrality of the modernity ideology in its modernization project. This is because of the association made between the etatist development strategy and state autonomy from
dominant class interests (and independence from the capitalist world economy). Yet, as Keyder has argued (1993b), the cultural change introduced by the RPP, the meaning of this change, and possible other sources of political identification in the lives of the broad mass of people were never given any attention in the scholarly work of the left. Most of the discussion around this question is speculative, revealing a strong fear of Islam and a belief that it is a threat to the survival of modern Turkey - to the extent that, as Keyder has pointed out (1993a), the left now appears to support further “westernization” and economic integration with Western Europe via membership in the European Community, to counteract Islamic alliances of the Middle East.

This recent support by the left for continued “westernization”, as Keyder (1993a, 1993b) intimates, should deal with the possibility of organizing economic, political, and cultural-ideological dimensions of human experience as a people-centred project rather than a capital-driven one which takes into serious consideration the cultural-ideological function of religion in the lives of people. Otherwise, the result would be the replication of the elitist view which links the dominant position of Islamic ideology (in defining the everyday life of large segments of the general population) to the ignorance and false consciousness of masses who are exploited by their patron landlords, the bourgeoisie, right wing political parties and religious leaders.

The left’s favourable interpretation of the economic policies and cultural change program of the RPP period originates from the Turkish-initiated intellectual movement of the 1930s, known as the Kadro movement, and the intellectual dominance of the underdevelopment theories of the 1960s and 1970s. The Kadro movement began during the early 1930s by a group of Soviet-educated Turkish intellectuals around the journal Kadro (cadre). The common argument developed by these intellectuals was that the etatist and autarchic development strategy of the RPP represented a third path, an alternative to capitalism and socialism. It was an alternative to capitalism because it was nationalist and anti-imperialist; it was also an alternative to socialism because socialism was unrealistic in terms of the conditions of Turkey, given the lack of a capitalist base in the economy and the absence of a large, strong working class.

According to Aydemir, one of the most influential intellectuals of the Kadro, the civil-military bureaucratic coalition of the RPP and state-tutelage were necessary if Turkey was to be led toward an
independent (in relation to the capitalist world economy) and more autonomous (in relation to the class interests of the bourgeoisie and landlords) development path. In this context, the civil-military bureaucratic elite was a progressive and nationalist force for modernization (Aydemir, 1968).

The progressiveness of the elite was attributed to secularism. As discussed extensively in Chapter 5, this interpretation does not take into account the fact that M. Kemal developed a close alliance with many highly influential religious men of the tariqas. Among them, the most famous is Said Nursi. Some religious shayks were quite influential in the mobilization of the peasants for the Turkish War of Liberation, which was conceived as a jihad. Nor does the Kadro perspective take into account the conditions created by World War I in the adoption of secularism (i.e. the relationship between Mosul oil politics and the rise of the Kurdish-Naqshbandi revolt).

The essential feature of Kadro intellectualism is its nationalism. The left interpretation has been heavily influenced by the nationalist orientation of the Kadro in a way that distinguishes it quite significantly from the “center-periphery” approach. In contrast to Mardin’s emphasis on continuity between the political arrangements of the Ottoman Empire and modern Turkey (especially during the single party era), the theories of the left suggest a total break. The notable exceptions here are M. Tuncay in his work *Turkiye Cumhuriyetinde Tek Parti Yonetiminin Kurulmasi* (The Founding of the Single Party Regime in the Republic of Turkey) (1981), L. Koker’s *Modernizm, Kemalizm ve Demokrasi* (Modernism, Kemalism and Democracy) (1993), M. Belge’s *Sosyalizm, Turkiye ve Gelecek* (Socialism, Turkey and the Future) (1989), and A. Insel’s *Turkiye Toplumunun Bunalimi* (The Crisis in Society of Turkey) (1990).

The cluster of leftist theories see nationalism as a natural response to foreign occupation and imperialism. Thus, the Turkish War of Liberation (1920-23) is seen as an anti-imperialist war. Nationalism is defined as anti-imperialist and resistance to outside rule. However, this definition of nationalism carries with it many problems, since, first of all, we do not know how to define “foreignness” and “resistance”. Resistance might take place on behalf of a village, religious community and dynasty as opposed to a nation. The left’s interpretation of nationalism is silent on this question. Secondly, how should we define imperialism and anti-imperialism? Does it include the Ottoman empire and the various sources of resistance to its rule in the nineteenth century, and why? We do not know whether anti-imperialist
movements are directed at the rejection of values and standards imposed from outside or whether it also includes resistance against the creation of a new type of state and society which generates new conceptions of cultural-political unity at the expense of those of the Ottoman Empire. If the latter alternative is the case, how is it possible to define the Kemalist era as the most progressive and nationally independent one in Turkish history, and why does the period since the 1950s constitute a step backward? These questions remain unanswered in the left’s interpretation of Turkish history.

Economic development is another dimension which constitutes the backbone of the Turkish left’s interpretation. The Kadro expected RPP etatism and nationalism to give way to the “third path” in economic development. This expectation was based on the assumption that the civil-military bureaucratic coalition of the RPP would prevent dominant groups of local notables and landlords from gaining an upper-hand in economic decision making, and thereby establish an independent development path in Turkey. This led the left, during the 1960s and 1970s, to the interpretation that the nationalist economic development path of the RPP was abandoned earlier by the DP and later by the JP, because of their alleged collaboration with large landlords and influential local notables (Avcioğlu, 1978; Eroğul, 1970; Cem, 1970; Trimberger, 1978).

However, as shown in Chapter 6, RPP etatism never gave way to a “third path”; its intent was neither to establish an economic development path autonomous from dominant social classes nor to become independent from the world economy. Rather, its goal was to help create and strengthen the bourgeoisie, thereby enabling it become the leading force for the government’s industrialization project. As H. Gulaip has noted (1992: 7), the Kemalist industrialization project was part and parcel of the statist-nationalist development strategy of the 1930s, necessitated by the impact of the Great Depression on the world economy. Given the lack of private accumulation on a large scale, the particular experience of Turkey was in the form of “etatist” industrialization. This corrective to the Kadro interpretation of the single party era has also been shared by many other scholars of the left. The following scholarly works provide a few examples: Boran’s Turkiye ve Sosyalizm Sorunlari (Turkey and the Problems of Socialism) (1968), Boratav’s Turkiye’de Devletcilik (Etatism in Turkey) (1982), Berberoglu’s Turkey in Crisis: From State-Capitalism to Neo-Colonialism (1982), Keyder’s State and Capital (1987), and Ulusal
Kalkınmacılıgın Iflası (Bankruptcy of National Developmentalism) (1993).

After pointing out that the single party era of Turkish history was only a pragmatic response to the Great Depression, rather than representing a “third path”, this group of scholars introduced the idea of focusing on external factors in order to explain the subordinate and dependent position of Turkey in the world economic division of labour. Turkey was defined as an “underdeveloped” economy. They shifted the focus of research from development to underdevelopment and concentrated on the impact of the world economy on Turkey. Their work reflected the neo-Marxist intellectual tradition, which has been heavily influenced by Baran’s The Political Economy of Growth (1957), Gunder Frank’s Development of Underdevelopment (1969), and Wallerstein’s Modern World System (1974).

Given that the neo-Marxist theory of underdevelopment and dependency flourished to a large extent on the basis of research on Latin America, the Turkish left found itself replicating Latin American research results in Turkey. The left was expecting a unity of experience in the “Third World” characterized by its dependent insertion into an integrated world capitalism. Thus, the “dependency” experience of Latin America, Africa and Turkey was bound to reflect the same kind of relationship. This scholarly expectation was imposed on Turkey with the result that the variability of internal structures, the structure of external relationships (economic, military and political-strategic) and their linkages/trans formations, as well as unique cultural-ideological issues, were largely ignored. Research was focused on the dependency implications of the economic policies implemented by the DP and later the JP on the national industrial development project. The expectation of unity in the experience of the “Third World” was also carried into the analysis of an emerging religious politics. In expecting a similarity with the Latin American experience, the left interpreted the gradual politicization of Islam in that era as a matter concerning the question of “social order” rather than a political-cultural project of nationhood. The relevance of Islam to the question of social order was discussed by comparison with religious politics in Latin America (i.e. liberation theology). Even though the rejection of modernism/westernism has never been the aim of the Latin American-originated religious movements (Berryman, 1987), this fundamental distinction has never been addressed.

B. Berberoglu’s Turkey in Crisis: From State Capitalism to Neo-Colonialism (1982) provides an
example. According to Berberoglu, Turkey was following a "state-capitalist" path under Kemalist rule. However, this was only a temporary response to the Great Depression; Turkey was already inserted into the world system as a "dependent economy" during the Ottoman Empire. Kemalist nationalism required state protectionism in the economy toward a more autonomous and independent development path. This came to an end with the 1950 elections when the "Kemalist party" (RPP) lost power. According to Berberoglu, this signifies a transition to neo-colonialism in Turkey since the DP and its successor JP, dismantled state capitalism. Berberoglu does not define the concept of "neo-colonialism", but his understanding of it is one which assumes a shift from a more autonomous and independent development path to a dependent one - from a more autonomous state to one directly representing the local bourgeoisie and landlords who are closely allied to foreign capital interests. It is the "neo-colonial" policies of the DP and the JP that have placed Turkey in a position of greater inequality, underdevelopment, and dependency - not to mention "permanent" economic crisis. According to Berberoglu, there is no way of overcoming the crisis of "neo-colonialism". As long as Turkey is part of the world capitalist system, economic crisis will be experienced on a permanent basis in Turkey. Since this is the case, the recurrence of military interventions during the respective periods of the DP and the JP governments had the effect of aggravating the crisis rather than moving towards a solution.

This kind of approach is not only simplistic and conceptually confusing, it is also far too general to have any meaningful explanatory, analytical value. We now find ourselves in a theoretical mess in regard to such concepts as "neo-colonialism", unity of class interests, their direct linkage to foreign capital, "crisis", "permanent crisis" and so forth. In terms of the concept of "neo-colonialism", Berberoglu’s focus is on the formation of classes which are closely allied to and dependent on foreign capital interests. In his interpretation, the alliance between foreign interests and local bourgeoisie and landlords is permanent. This is traced back to the DP’s ascent to power in 1950. It is the "neo-colonial" ties that make the economic crisis permanent. However, we are not provided with a tool to analyze the crisis.

The simplicity and generality of this analysis obscures the vital distinction between the former colonial states of Africa for example, and Turkey - a country which has never been colonized. This is a vital distinction if we want to reach a certain clarity in the concept with reference to its applicability to
Turkey. In his book *Underdevelopment in Kenya: The Political Economy of Neo-Colonialism* (1975), C. Leys does define the concept, but his definition does not provide us with any hint as to how it can be used to analyze Turkey. Leys defines neo-colonialism in the following way:

"We can speak of neo-colonialism not only as a particular mode of imperialist policy applicable to ex-colonies ... but also as a characteristic form of political, social and economic life - or of class struggle - in certain ex-colonies, i.e. those where the transition from colonialism to independence permitted the relatively efficient transfer of political power to a regime based on the support of social classes linked very closely to the foreign interests which were formerly represented by the colonial state." (Leys, 1975: 27).

If we accept Leys' definition of the concept, it is obvious that it can never be a useful tool in the case of Turkey, for several reasons. Turkey inherited an imperial legacy from the Ottoman Empire, and it has never been colonized. Moreover, the Ottoman, the early Republican, and later political regimes were never based on the direct support of large landowners or bourgeoisie at the expense of small producers. It is true that Turkey is secondary in terms of its economic importance in the world division of labour, but it is also true that its military-strategic importance has always been primary. This has allowed various governments to increase their ability to negotiate.

Berberoglu's approach leaves no room for Turkey ever having actually experienced democracy, either. The overwhelming support the DP and JP, as well as pro-Islamic political parties, received from peasants, workers and economically marginal groups is viewed by Berberoglu as some kind of "false consciousness".

Berberoglu sees neo-colonialism as the formation of a certain type of internal structure conditioned by external relations of "dependence". However, there is no analysis of the political dynamics of a "neo-colonial" structure; the formation of internal structure appears to be a lifeless and mechanical response to external factors.

A different version of this interpretation appears in "The Political Economy of Quicksand: International Finance and the Foreign Debt Dimension of Turkey's Economic Crisis", published in *The Insurgent Sociologist* (1981) by Schick and Tonak. They argue that the structure of Turkey's industrialization makes it dependent on foreign capital, and, thereby, on IMF-imposed policy measures. These externally imposed policy measures perpetuate the subordinate position of Turkey in the world
economy and set important drawbacks for its industrial development project in a way that leads Turkey to economic crisis. In contrast to Berberoglu's argument about "permanent crisis", Schick and Tonak argue that the economic crisis in Turkey is a cyclical one which they link to the periods of economic policy measures imposed by the IMF. These periods are characterized by devaluations of the Turkish Lira. The 1958, 1970 and 1980 devaluations are analyzed to show the cyclical nature of crisis which results from Turkey's dependent and subordinate position in the world economy.

This work stresses once again the irreconcilable conflict between the interests of capital organized at the world level and the national development goals of Turkey. The authors correlate the economic policy shifts during 1958 and 1970 and 1980, externally imposed by the IMF, with changes in government in 1960, 1971 and September 1980 brought about through military interventions. Regime changes correspond directly to the implementation of IMF measures. Superficially, there is indeed such a correlation. However, it is difficult to attribute much weight to this explanation. It leaves untouched any analysis of the specificity of each period in terms of causes and outcomes of political regime changes, economic policy shifts and the nature of crisis in each period. It also leaves unexplained the question of why there has been significant industrialization taking place in Turkey since the 1930s. By focusing on external constraints alone, this approach fails to theorize about the way that domestic politics shape state policy in dealing with externally-imposed structural constraints.

The left in general presents a theory of national economic development which emphasizes the dependent and subordinate position of Turkey in the world economy. It has replaced modernization theory by focusing on the structural imbalances in the world economy. The ability of industrialization to put underdevelopment to an end has thereby been undermined. This is a common theoretical starting point for the left's interpretation of Turkish history. In this interpretation, the RPP period of etatism generally receives a favourable response, not only in terms of its economic policies but also because of its nationalism. And the period starting with the DP's rise to power in 1950 up until the 1980s is described as a period of "dependency".

The left's interpretation draws much of the basis for its assumption about the nationalism of the
Kemalist era from classical Marxist writings\(^5\). Marx and Engels defined the “historyless” nations of Eastern Europe and the East in general as communities that have been unable to build a national state over a period of time, and, therefore, will not be able to do so in the future. Consequently, the left sees considerable room in theory to justify state tutelage during the single party era (1925–1945) as progressive (for the growth of nationhood and national capitalism). The result of state tutelage would be the development of industrial capitalism. Here the “westernization” project receives complete support from the left. The Western European trajectory appears to be the ultimate model, to be imitated by others on the road to industrial capitalism. Since national states first emerged in Western Europe, it would seem to follow that it would be a model for non-European nationalisms. What is troubling with the Left interpretation, however, is that it is not equipped to conceptualize the profound internal cultural transformations wrought by the westernization process. Its framework does not allow an analysis of what the nationalist project means in political terms, whether it means the same thing to different categories of people, how it changes, and under what conditions it is combined with other projects that might mobilize the citizenry.

On the other hand, the leftist approach contains main characteristics of the theory of “anticolonial” nationalism. They are, as P. Worsley has pointed out, independence and economic development (Worsley, 1964: 83-84). This account of nationalism shares with Western European nationalism the drive to establish a sovereign independent state for a territory by a body of people who consider themselves a “nation”. As noted by Hobsbawm (1990), the French Revolution of 1789 is the first example of European nationalism.

\(^5\) Neither Marx nor Engels developed a theory of nationalism. What we have are a number of disjointed statements. Nevertheless, there is a Marxist account of nationalism which is based on two models for national development: 1- the state-language-nation model which is seen to be the basis for a national economy; and 2- the theory of “historical” versus “non-historical” nations which is explained in terms of the capacity of a given community to evolve to a higher form of social organization. Historyless nations were defined as communities that have proved unable to build a national state over a period of time, and, thereby, will not be able to do so in the future (Davis, 1967: 2). Engels expressed this view in the following statement about Chinese: “It would seem as though history had first to make this whole people drunk before it could rouse them out of their hereditary stupidity” (Cited in Davis, 1967: 60-61). According to Marx and Engels, modern nations emerged in the process of transition from feudal to capitalist economy. This transition involved the destruction of local particularities and indicated a process of standardization of populations through the emergence of modern languages. This was an essential condition for ensuring the interdependence of the various units of production and the formation of markets. Linguistic standardization of populations and the formation of markets all took place under the tutelage of the emerging state. They see nationalism as a building bloc of capitalism. Nationalism was the modern superstructural expression of the bourgeois need for larger markets and territorial consolidation. This pattern of national formation was clearly derived from their observations of the process in England and France, and was regarded as a model for national formation in other areas of the world. Both Marx and Engels supported the right to self determination (meaning state independence) only of those that are defined as “historical” nations such as Irish.
It was based on the liberal political principles of national sovereignty and individual rights. Hobsbawm (1990: 101-111) writes that in the period between 1830 and the 1870s European nationalism stressed linguistic and cultural community in a way that aspired to capture or form states, transferring power to "the people". This liberal principle of nationality was rooted in a capitalist industrial foundation. As Hobsbawm (1977: 43) writes, between 1848 and the early 1870s "the world became capitalist and a significant minority of countries became industrial economies." Western Europe represented this minority of nation-states. In the period between 1880 and 1914, however, European nationalism developed along divisive ethnic/racial and linguistic lines (Hobsbawm, 1990). This form of nationalism was strongly connected to the territorial division of the world among the European states (Hobsbawm, 1977). Anti-colonial nationalism, however, has emerged as a possibility for change in place of the colonial state in the world economy.

The anti-colonial account of nationalism represents resistance to the European nationalism of territorial conquest. According to Worsley (1984), the emergence of nationhood was a response to the colonial experience. For example, the colonial society was a European directed reorganization of African political space into various forms of the territorial colonial state. Colonies were neither states nor nations. During the pre-colonial era, the political and cultural affinities had no necessary overlap; colonial rule altered the existing cultural geography (Young, 1985: 73-81). Colonial states, administrative units of European national states, created single territorial units which became the basis for state-nation congruence. Nationalism, then, appears to maintain a territorial single-state nation which was already created via the administrative coercion of colonial rule. The nationalist ideology in colonies, Nairn argues (1975: 357), is grounded in the mobilization for development; the drive is to catch up with the industrialization level of the West. When development becomes the main priority, interests groups are dismissed as the main threat to the success of the nation. Instead, populist strategies which are hostile to class differentiation appear to be the viable national development strategy (Kitching, 1989). With all this goes a related ideology that expresses itself in the value of belonging to a culture - the "good times" before colonialism (Ionescu and Gellner, 1969).

Turkish leftists, in particular the Kadro intellectuals, follow the anti-colonial account of
nationalism as linked to national independence and economic development. Lenin’s theory of capitalist imperialism is seen as the starting point. Lenin advocated that all nations have the right to self-determination in military-political and economic matters. Unlike Marx, who ultimately expected the world-wide expansion of capitalism to be beneficial for humanity - even though it might cause much human suffering, Lenin discovered a revolutionary potential in “third-world” nationalism. It could be powerful force in combatting capitalism, which had reached its highest stage of world-wide expansion through every possible means, including the export of capital, economic penetration, and wars. Nationalism was viewed as an effective political strategy to be used in the struggle against capitalism. This generally appealed to Turkish left intellectuals because of their rejection of capitalism as a project of modernity. However, following Lenin (Lenin, 1970: 16-19), the Turkish Left also rejects the definition of nation as a “cultural community” - a concept advanced by Otto Bauer which is a clear break from the position of Marx and Engels on the “non-historical” nations thesis (Bottomore and Goode, 1978: 102-135; Bauer, 1979: 19 cited in Munck, 1985: 87-88). This rejection, however, is a major shortcoming of leftist theories, because the question of how political and cultural dimensions of nationalism intersect with issues of economic development and the right to self-determination remain unanswered.

At this point I can summarize the dominant view of the left on Turkey. On the ruins of the Ottoman Empire, “nationalist and progressive” bureaucrats carried out a national revolution in the 1920s. Their aim was to establish the nation-state, the economic basis of which was industrial development, while secularism was to be the cultural-ideological base. The statism of the 1930s is thus seen as a “nationalist development model”. On this road to development, bureaucrats were opposed by big landlords and merchants in collaboration with reactionary forces from religious orders. The alliance between these groups succeeded in coming to power in 1950. The “anti-statist” policies of the DP government between 1950-1960 came to an end in 1961 with the bureaucratic-protective response to the DP’s “market-orientation” and “anti-Kemalist”

6 Lenin’s approach to nationalism offers a link between nationalism and/or nation making and the world economy. His views appear in his theory of imperialism. Lenin argues that nationalism appears not only with the emergence of capitalism, but is intensified in the era of imperialist expansion of capital. In this process, nationalism becomes an anti-capitalist force, as the national movements in the non-European colonies emerge as a response to the exploitation of the colonial people by the European capitalist powers. Lenin defines Asian and African nationalism as a progressive and natural response to uneven development and colonialism while European nationalism is defined as reactionary response to these national liberation movements.
policies. The 1961 military coup instituted state planning in the economy and Kemalist nationhood principles in the state structure. Bureaucrats hoped to invoke the “nationalist development model” of the 1930s in the form of import-substituting industrialization. However, it was too late to reinstitute an independent economy; Turkey was already well-integrated into the capitalist world economy as a “dependent” economic unit. The results of this were to unfold in the ensuing years under a largely JP government.

Implicit in this dominant view of the left is a belief that each phase of the economic development path and nationhood project is determined by changes in political power. The argument’s main weakness is its treatment of “bureaucrats” as an entity with nationalist and developmentalist aspirations. This is done in such a way that they are seen as independent from the actually existing economic, political and cultural dimensions of power in society. Since this is the case, the RPP period as well as the 1961 and 1971 military coups became justified by the “devotion” of bureaucrats to Kemalist ideology. This view ignores the fact that the statism of the 1930s was a temporary response to the Great Depression and that a shift to a more market-oriented economy was initiated by the RPP at the end of the Second World War. It also fails to acknowledge that the import-substitution industrialization model had little to do with the nationalist aspirations of the civil-military bureaucratic cadres in the 1961 military coup. This model of industrialization was already initiated by the DP in the mid-1950s before the coup. The left was also blind to the fact that the DP’s economic policy did not give free rein to market forces. A more liberal attitude toward Islam was also initiated by the RPP at the end of World War II, not only in the economy, but also in regard to religion. In this sense, neither the DP nor its successor, JP, introduced significant deviation from the RPP.

These weaknesses of the left result from the theoretical biases of the “dependency” approach in attributing a central role to the “external” part of capital as an organizing principle in the world economy. This notion of external conditions mechanically determining internal ones can be seen in A.G. Frank’s writings on Latin America.

The left also examines the specificities of the Turkish case. In its analysis of internal factors, the left is influenced by the writings of Falletto and Cordoso (1979), which stress that the response to external
constraint varies because class alliances vary from country to country in a way that allows the possibility of change and an alternative to external constraints. As is the case in the work of Cardoso and Faletto, the Turkish left emphasizes internal factors, mainly the government, the political process of decision-making and the state's role in the economy. DP and JP policies are evaluated as a development strategy based on a "market economy" and are associated with repressive political regimes responding to the demands of the bourgeois and large landed interests at the expense of lower classes. "Progressive" politics is associated with the "etatist" economic policies of the RPP, even though the left acknowledges that the RPP accommodates a capitalist economy.

The left distinguishes between "repressive" and "progressive" political regimes on the basis of a division between class and "the people". This is an extremely vague base for an analysis. The RPP is esteemed for its aim to constitute "nationalist" principle in the economy in favour of "the people". Nowhere in the leftist work, however, is the content of such concepts as "nationalist principle" and "the people" determined except that it is strongly linked to "populism" as an ideology of lower classes antagonistic to dominant upper classes. As an extension of this line of thought, the left sees the military coup of 1961 as a progressive moment in Turkish history, with military bureaucrats intervening in politics on behalf of "the people". Similarly, even though the 1971 military intervention eliminated the leadership of both leftist political organizations and the student-labour movement, it is also interpreted as an attempt by the military to reinstitute a nationalist principle back into the economy. Nevertheless, the coups failed to achieve their goals because Turkey was already well-integrated into the capitalist world economy as a dependent state.

The distinction made by the left between "the people" and dominant classes opens up the possibility for an understanding of non-class forms of domination and related political and cultural struggles as linked to opposing projects for the articulation of common people's immediate life experience. However, the left does not view "the people" as distinct from class. Its analysis does not enable us to understand how culture (including religion) translates into an effective ideology of resistance to abusive state power. The left also fails to provide a framework for analyzing how the DP and later the JP were successful in articulating a historical experience of the people (vis-a-vis the state ruling elite) into a
political-ideological project directed against the RPP. The problem facing the left is in determining the class framework which gave expression to the DP-JP project. The left attempts to resolve the problem within a strictly class framework. In so doing, however, it reduces the conflict between classes to a mechanical one, making it impossible to clearly see the ideological cleavages. Still, the left does identify a real problem, but its “solution” is far from satisfactory. Instead of identifying these antagonistic projects as being articulated by non-class forms of domination, the left steps back until the problem which it has tackled disappears from sight.

Even though the left accepts the possibility of change at the theoretical level, their results come close to suggesting, as Frank argues, that external factors determine the internal outcome. This is a very simplistic, mechanistic and reductionist view which assumes a necessary conflict between the “market economy” and state regulation, in addition to assuming a direct correspondence between economic policy and the type of political domination. Such an approach fails to provide a dynamic concept of politics as an active process. It cannot grasp the complex interaction between external and internal relations of economic, military-strategic, political and cultural dimensions of power, nor can it adequately assess non-economic forms of domination.

As indicated above, there is unity of interpretation within the left, as outlined above, about the economic and political structure of Turkey as a dependent economy within the world division of labour. However, the left wants to promote national development autonomous from dominant classes and independent from the structural constraints of world economic conditions. The major task for the left is in deciding how to undertake projects of this kind and how to define the social and political character of the development they want to promote. This question has generated debate on the dominant form of production in Turkey and the classes associated with it, a debate which continues at the present time. In the late 1960s and throughout the 1970s the left maintained the belief that national economic development was possible. This optimism was inspired by the classical Marxist idea that capitalism would develop along the same unilinear path in the “Third World” as in the industrialized countries of Western Europe.

The relationship between “the logic of the economy” and state policies in constituting capitalist relations of production is central in studies on the mode of production in Turkey. The research begins with
the observation that the Ottoman state introduced educational, institutional-administrative changes with a program of modernization from above (Trimberger, 1978); these changes were part of the general process of the Ottoman Empire's incorporation as a peripheral economy within the world economy (Keyder, 1987). Since the Tanzimat period Turkey experienced, to use Marx's own word, the "rejuvenating" effects of the capitalization process in the economy under the modernizing efforts of the state. The fundamental question, then, is whether capitalism turned out to be a dominant mode of production in Turkey.

This question has been studied by many theorists of the left using a variety of perspectives. Some (Boratav, 1969, 1970; Selik, 1969; Culhaoglu, 1970; Kutlay, 1970) have identified Turkey with a "backward capitalist" structure, others (Erdost, 1969, 1970; Kardam, 1970) have argued that "pre-capitalist" relations were dominant. This debate, which took place during the late 1960s, was of particular concern for Boratav and Erdost. Boratav suggests that capitalism was the dominant mode of production, even though various relations of production co-existed in Turkish agriculture. The predominant form of production was simple commodity production. What made the capitalist mode of production primitive was the fact that the small producers were subject to primitive mechanisms of capitalist exploitation by merchants and usurers. For Erdost, arguing for the dominance of pre-capitalist rather than capitalist relations, the dominant classes were feudal/semi-feudal landowners in agriculture and "collaborationist bourgeoisie" whose interests were directly linked to those of international capital groups. Whatever their differences were in identifying the dominant mode of production and the dominant classes associated with it, they have conceptualized the domestic political context in relation to the political hegemony of these classes. State policies designed to increase domestic legitimacy of such hegemony are seen as detrimental for the peasants, urban marginals and working classes. And, the political support by the lower classes for these policies is explained as corresponding to the persistence of either "backward capitalism" or "pre-capitalist relations of production" in the countryside. It is also seen as a matter of false consciousness.

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8 These sources are cited in Seddon and Margulies (1984).

9 They are cited in Seddon and Margulies (1984).
Following this initial debate on the mode of production in Turkey, another group of scholars analyzed the changes toward the commercialization of agriculture, and state policies in mechanization and pricing. This group argues that commercialization included changes in the direction of the concentration and centralization of land, and the proletarianization of the majority of peasants. Kiray (1968), Hinderink and Kiray (1970), Aksit (1967) are among this group of scholars. This position was opposed by Boratav (1972, 1969 cited in Seddon and Margulies, 1984), Keyder (1983a, 1983b, 1987) and Aydin (1986). Boratav argues that Turkish agriculture was dominated by simple commodity producers who made up 75-80 per cent of farms and households, and that merchant capital agriculture in its various forms developed on this basis.

The argument asserting the predominance of simple commodity production in agriculture gained greater dominance in 1970s and 1980s research (Cinar-Silier, 1979; Varlier, 1978; Aksit, 1985, 1988; Sirman, 1988). Using census and other surveys at the macro level, this work emphasizes the persistence of inequality in land distribution, a small increase in the percentage of small land ownership and a slight tendency toward land concentration. Boratav and Keyder argue that the unevenness and differentiation in land distribution patterns do not conform to the predicted class differentiation and polarization (Boratav, 1980; Keyder, 1983a, 1983b; 1983c). The predominance of simple commodity production in agriculture has also been shown by M. Koc (1988) in the case of tobacco production in the Aegean region of Turkey.

According to Keyder, the persistence of simple commodity production can also be explained in terms of the historical legacy of the patrimonial system inherited by Turkey from the Ottoman Empire. This system combined a free peasantry of small producers with a strong state against the development of capitalist relations of production (Keyder, 1983a, 1983b, 1987). Starting with the effects of market forces on agriculture, Keyder suggests that the alternation between small land ownership and large land ownership is due to Kondratieff cycles in the world economy. Therefore, the consolidation of small ownership during the DP and JP periods was not the result of a linear evolution but a cyclical one (1983a). For Keyder, this explains the diverse, uneven forms of production as well as the differentiated effects of state policy on agriculture (1983b).

According to Keyder (1988), the persistence of simple commodity production provides an
objective basis for peasant support of the DP and JP, whose “market-oriented” economic policies contrasted with the statism of the RPP. Simple commodity production in Turkey is a more or less stable and homogeneous form (Keyder, 1983a, 1983b). This, however, does not explain why the more “market-oriented” policies of the DP and JP would be preferred by small producers. Keyder’s answer to this is that the “market” is the organizing principle of small producers interests.

This suggestion of Keyder’s provides a corrective to the leftist interpretation of false consciousness on the part of peasants in their support for the DP and JP. Unfortunately, it suffers not only from economic reductionism but also from a unitary conception of class interests as articulated within the market economy. Aksit (1993) argues that simple commodity producers are highly diversified. This view is shared by Hann (1984) in the case of tea production on the East Black Sea coast and by Sirman (1988) for cotton production in Soke. If this is the case, the question, then, is whether this diversification translates into peasants’ political choices, and how? This remains unanswered in Keyder’s theory (1983b) which asserts the dominance of simple commodity production with no major cleavages. For Keyder (1983a), differentiation in agriculture is on a cyclical course according to Kondratief cycles in the world economy.

In his “Political Economy of Turkish Democracy” published in the New Left Review (1979) and in State and Capital (1987), Keyder analyzes political regimes in Turkey in relation to the assumed unity of interests among simple commodity producers, and the absence of a landed aristocracy. The non-existence of a traditional “oligarchy” as well as the absence of foreign capital on a significant scale enabled the modernizing elite (civil-military bureaucratic cadres) of the RPP to carry out “revolution from above”. However, it is the same relationship between the unity of interests among peasants and the absence of a landed aristocracy that resulted in the politicization of peasants in the direction of greater market integration. It is in terms of this relationship that Keyder sees peasant support for the DP. This argument appears to be developed through an implicit comparison of the Turkish case with the experience of Latin America, where the traditional oligarchy and foreign capital have assumed great significance. According to Keyder, the politicization of peasants toward market-integration, which enabled the DP to come to power, underpinned the transition from a political regime based on the autonomy of a bureaucratic elite to one based on class domination in politics. For Keyder, it is this change of political power from the RPP to the
DP in 1950 that represented Turkey’s total break from the Ottoman past. In relation to simple commodity producers, his argument about homogeneity is economically reductionist. It allows no room for conceptualizing non-economic forms of domination and societal cleavages that emerge with the modernization process. Examples of such non-economic forms of domination include urban-rural cleavage, elite-mass conflict, and division between high culture and little culture. Keyder ignores the possibility that the peasants’ political choice to support the DP and the JP might be rooted in such non-economic forms of power relations.

The transformation in the political regime from one based on the autonomy of ruling bureaucratic cadres to class rule is carried further in Keyder’s analysis of the period between 1950 and 1980. Both the DP and the JP were class parties committed to the free market principle in the economy. The persistence of DP-JP rule during this period was due to the inability of any one faction within the bourgeoisie to establish hegemonic rule, as well as the absence of foreign direct investment (Keyder, 1979, 1987). The DP and the JP were parties with developmentalist aspirations - to be undertaken collectively by simple commodity producing peasants and the bourgeoisie, acting through the state. The inability of any faction to establish hegemonic rule, and the consequent absence of a power bloc, enabled the DP (1950-60) and the largely JP governments (1963-1980) to appear as representing the interests of the bourgeoisie as a whole.

The JP’s problem during the late 1960s and 1970s (as was the case with the DP) was its inability to deal with the increasing factionalization and diversity of interests within the bourgeoisie, between large and small-medium size industrialists, finance capital and trading interests. The 1961 and 1971 military coups tried to solve the impasse over how to undertake development by trying to make the industrial faction the dominant one within the bourgeoisie. However, priority was given to the public sector in industry, after the 1961 coup (as required by the 1961 constitution). The 1971 coup also aimed at realizing the aim of the 1961 constitution, in relation to the industrial development project to be undertaken by the state. In State and Capital (1987) Keyder extends the argument about the inability of any one faction within the bourgeoisie to establish hegemonic rule to explain the 1980 military coup. However, this time the aim of military bureaucrats was to make large industrialists the dominant faction within the bourgeoisie and redefine the development project as one to be undertaken by exporting industrialists. In his analysis of the
1980 military coup, Keyder is correct in pointing out that change in political power has been the result of, and not the cause of, changes in economic policy, and that the policy shift was already undertaken by the JP government before the coup. He is also correct in linking the change in political power to the absence of hegemonic unity within the bourgeoisie. He fails, however, in his analysis of the causes of the 1961 and 1971 military coups by trying to apply his argument for the 1980 coup to the previous ones. It is quite difficult to detect a significant level of conflict of interest within private capital before the 1961 and 1971 military coups. I believe this failure results, first, from Keyder's implicit comparison of Turkish and Latin American experiences and, second, from his theoretical inability to conceptualize hegemony as a complex, active and indeterminate set of relationships - which also includes non-economic forms of domination.

The defining feature of Keyder's analysis is the tension between "the logic of the economy" and the state policies designed to increase domestic legitimacy. This tension becomes highlighted in his analysis of the military coups. With this approach, "the logic of the economy" is dependent on developments in the world economy, positing a fundamental conflict between domestic legitimacy and the world economy. According to Keyder, who follows a line reasoning similar to that of Wallerstein (1974), there is such a thing as an economy which is autonomous, self-contained and of a single logic. The roots of economic and political crisis in Turkey lie in the "logic of the economy" which enters into periodic crisis in its self-regulation. The state thus becomes an instrument for intervening in the free operation of the market in order to impose certain regulations to realize its nationalist and developmentalist aspirations. Since he argues for the inability of any faction within the bourgeoisie to establish hegemonic rule, the outcome is determined by the "choice" of military bureaucrats during the military coups, with regard to what is "necessary" for national development at a particular time. This, therefore, implies an optimality. Keyder provides a vision in which the "logic of capital" dictates the policy choice of bureaucrats and the political parties. It does not explain, however, what is/was actually happening in the world economy. It also fails to analyze the specific patterns of Turkey's integration within the world economy. One must take into account the interaction between the economic and military-strategic dimensions of international power without ignoring the political cultural-ideological dimensions of domination.

Despite the shortcomings I have discussed thus far in Keyder's work, he provides a useful starting
point for research. Both in his article “The Political Economy of Turkish Democracy (1979) and in State and Capital in Turkey (1987), he has advanced an important argument: “the inability of any faction within the bourgeoisie to establish hegemonic rule”. In explaining the 1980 military coup and its relation to the economic policy shift in Turkey, with this argument, Keyder has underscored a significant point. Nevertheless, his argument needs to be worked out further to explain why the elaboration of national culture and Islamic nationalism has become more important since the late 1970s and 1980s in a world of increasing transnational movement of capital. At the same time, his insistence on the significance of simple commodity production in Turkish agriculture provides another valuable foundation for additional research into the role of the peasantry and its culture in politics. Yet, Keyder’s work does not provide a satisfactory answer for the strength of political attachments which small producers manifest in relation to economic policy shifts. In order to make effective use of Keyder’s arguments, we must advance such vague concepts as hegemony, ideology and accumulation strategy as constructed within the context of an active political process operating both at the national and world level. Complex relations of non-economic forms of power relations must be included in a comprehensive analysis.

During the late 1980s and at the present time, the position of the Turkish left has been that it is no longer possible to formulate nationally-based development projects. Thus, the previous question of how to undertake projects of development as well as the role of classes in it is no longer on the agenda. What is on the agenda is the “crisis” of the development project as structured by the “self-regulating market” principle externally imposed by the IMF and World Bank. The “crisis” is analyzed through changes in the structure of agriculture (Aydin, 1993; Boratav, 1990) and industry (Senses, 1994; Turel, 1993; Boratav, 1990). The commonly accepted assessment is that under the export-oriented model industrial production declined. In agriculture, social differentiation has accelerated since the 1980s, a process which could lead to the dominance of large farmers at the expense of small producers (Aydin, 1993). Although all of these scholars working on structural changes in industry and agriculture are trying to refrain from generalizations due to an insufficiency of available data, they agree that the post-1980 period marks a definite break with earlier periods. The overall concern is with the implications of the market-oriented model on the nation-state trajectory of M. Kemal (Keyder, 1993b; Tunay, et.al., 1993).
2.4. Some Theoretical Suggestions

Given the preceding theoretical discussion, it is now appropriate to summarize the most significant limitations of the theories of Turkish politics. This will allow me to suggest what we require in order to formulate an alternative approach for analyzing changes in nation-state projects in Turkey. I will focus on the domestic economic, political and ideological context of the national space as situated within the shifting world historical relations of economic and geo-military power. My aim is not simply to formulate a new theory through polemical opposition to the old theories while remaining in the same problematic. A critique of these theories may or may not be successful in replacing them. But, it will hopefully bring better questions into the research agenda.

Modernization theory, the center-periphery approach and the dependency/world system approach all share the view that the nation-state is the organizing unit of the modern world. The nation-state is assumed to have a universal form of political organization, and is expected to come to resemble the modern nation-states of western Europe. These theories are built, implicitly or explicitly, on the basis of the European experience. However, nation-state making in Turkey has not resembled that of the European case. The secularization project toward a unified nationhood is far from a social reality. Instead, there has been a constant tension between Islamic and secular conceptions of nationhood. Capitalist industrialization did not follow the European path of transformation from agrarian to industrial capitalist societies. These theories aim to explain the discrepancies by focusing on the nation-state and the capitalist industrial economy - two dimensions of the modernity project - by taking Europe as a point of departure. Even though the "center-periphery" approach acknowledges the historical specificity of Turkey, a comparison between Turkish and Western European state-making is the dominant feature of the analysis. The Turkish case appears in opposition to the European state-making model. For its part, the dependency model draws an implicit comparison between Turkey and the Latin American experience. All approaches in one way or another discuss the incorporation of Turkey into the world capitalist economy, nation-state building and factors obscuring the process of industrialization. In fact, all of them call attention to a number of changes in the world situation which make it a rather remote possibility that the European model for economic and political transformation will occur in a non-Western country like Turkey.
The Western European trajectory of change has been regarded as an ideal model in the theories discussed above, whereas other experiences are seen as departing from this ideal pattern. There is great variation among the national state trajectories of the "West", just as there is significant differentiation evident in the rest of the world (Middle East, former socialist bloc countries, Africa, Latin America, South East Asia, and so forth). These countries are all part of the same nation-state system. However, the paths of historical change for each nation-state reveal enormous variation. The domestic context of each national state is unique and each state is uniquely situated in the world economy and state system. The fundamental problem is the tension between national variation among states and the general regularities in the wider context of economic and political relations. To that end, I explore the economic development and nation-state projects in Turkey in the context of shifting patterns in the world economy and its political and military organization. In concrete terms this means that when we study the possibilities and changes in nation-state projects we must avoid: 1- explaining the process of change in a particular country by means of an ideal model of the nation-state and national economy, and 2- we must also avoid elevating the experience of the individual trajectory of change to the level of a general explanation. It is important to accept the uniqueness of each historical process but we must not allow that uniqueness to become a totalizing explanation. Thus, we must search for analytical tools capable of combining the unique realities of particular locations at particular moments with a close reading of the general regularities in the world-historical context. The international context sets limits and opens up opportunities for various projects of change at the national level while at the same time individual nation-states also shape emergent patterns at the international level.

We need a theoretical approach which acknowledges historical specificity rather than imposing categories of states or assuming universality in certain trajectories of change. Such an approach should concentrate on the actually existing relations involved in the economic, political, military and ideological/cultural dimensions of power operating at domestic and global levels, rather than expecting a functional fit between them. In this respect, the position of the state in the specific period of the international division of labour must be seen as having crucial importance in so far as it creates the necessary opportunities for, as well as constraints against, the development of distinct policies. We need to
grasp the historicity and specificity of the separate economic and political-military processes of international power as well as their contestability. This does not mean that international constraints undermine the ability of the state in its management of the national economic and political space. Therefore, we must answer the following range of questions by studying the interaction of the global dynamics of economic and military power with the national dynamics involved in the formulation of a particular trajectory of change: 1- Under what conditions does the nation-state become a dominant form of political organization, and how does the nation-state project change over time? 2- What are the chief forms of domination (economic and non-economic) taken by nation states as credible ideological devices for the common people? Why and how do these forms change? 3- What determines the responsiveness of the nation-state to the needs, demands and desires of its citizens? How does this responsiveness interact with competing claims and conceptions of nationhood as political projects contending for power? 4- What non-national or non-state forms of power are contesting the rule of national states (in general, in the Middle East, or in the Islamic world)? 5- If these succeed, what institutional shapes could emergent power take? (i.e., what forms of rule are prefigured by present Islamic politics? Would the idea of a state system still apply in a revised form to a world governed by transnational Islamist parties and presumably other transnational forces?)

The way in which Turkey has been incorporated into the time-specific construction of the international system during the post WWI and post WWII Cold War periods will provide a means for exploring the interplay of internal and external processes involved in the condition and trajectories of change.

The portrait of Turkish politics I have outlined here, with the help of modernization theory, the center-periphery approach and Marxist theory, is certainly incomplete. But I think I have said enough on the subject of what constitutes the general frame for the theoretical issues raised specifically in relation to Turkey. The rise of Islam has not occurred in a social-cultural, economic or political vacuum. It is now necessary to round out this portrait with a more detailed look at how culture, religion, the economy and political-strategic relations can be woven together to reveal the intricacies involved in the political process. This task is the subject of the next chapter.
III. NATIONAL COMMUNITIES AND CULTURES IN WORLD CONTEXT

In the concluding section of the previous chapter, I raised five questions concerning the cultural, economic and political-military dynamics involved in the rise of Islamic politics in Turkey. I have formulated these questions with the aim of establishing a better approach for studying the simultaneous rise of a market-oriented economy and Islamic politics - developments which have been shaping Turkish politics since the nineteenth century. It is in light of these questions that I now attempt to explain why it might be that the elaboration of community or locally-lived culture becomes more important in a world of increasingly unrestricted flow of capital. In order to overcome the problems contained in modernization theory, the center-periphery approach and dependency/world system theories, as applied to the case of Turkey, I reformulate the issue in a way that will allow me to bring forward the meeting points between national and global dynamics of power.

In conditions of "transnationalization", the lives of an increasingly large number of people are organized by disembedded institutions which link local practices with transnational relations. Here, the pertinent point concerns the development of protective counter movements at the national level which contest the negative impact of global economic, political, and military-strategic relations on the people. I wish to look more closely at how Islamic nationalism, as a form of locally-lived culture, connects with this phenomenon. Is Islamic nationalism a protective counter movement against the organization of everyday life practices by these disembedded institutions? Or, is Islam part of a process of imagining a new form of national ideology through the linking of local practice to transnational institutions of power? Before proceeding further, I need to make several conceptual clarifications over the meaning of embeddedness/disembeddedness of institutions, Islam, and nationalism.

3.1. The Market-Oriented Economy and the Question of Legitimacy

In *Divided Societies: Class Struggle in Contemporary Capitalism* (1989) Miliband writes that an ever greater integration of capitalism on a world scale has made radical change in a single country impossible. World-historical developments experienced since the 1970s have provided persuasive support
for such an argument. There is overwhelming evidence that the independent capacity of states to design and implement policies was highly constrained in the context of an unrestricted flow of capital. One perspective, which reminds us of Kautsky’s debate with Lenin, suggests that various capital interests have been integrated at the transnational level in such a way that national control over economic policy has been eroded (McMichael and Mhyre, 1991; Friedmann and McMichael, 1989; Radice, 1984).

This is the material condition within which there emerged a political agenda represented by the new right governments. The basic feature of this agenda is that the economic policies of governments should respond to the needs of highly integrated world capitalist economy. Despite diversity in economic and social structures and political systems, this agenda has been (and is being) pursued in many countries along broadly similar lines. Note the similarity in the ideological framework and specific economic strategies of R. Reagan in the United States, M. Thatcher in England, M. Harris in Ontario, and the military regime (1980-1983) and the following civilian government of T. Ozal in Turkey. The new right ideology can also be seen in the World Bank policy prescriptions.

The World Bank has a vision which focuses on the alleged misallocation of scarce resources that arise from excessive government intervention in the markets. Prices for labour and capital/product do not reflect their true scarcity values because of wage legislation, social security provisions and other imperfections in the operation of labour markets, on the one hand, and overvalued exchange rates and other protective measures in the operation of international trade on the other. Accordingly, “getting the prices right” becomes the key neo-classical policy prescription. This is the central objective of World Bank policies for structural adjustment of national economies to market-oriented ones (World Bank, 1987). The roots of economic problems are thus situated in governmental interference in the effective operation of markets, and the solution depends on a return to the rule of market forces. The self-regulating market provides the solution.

The new right governments have focused their attention on boosting capital accumulation by eliminating obstacles to the domination of the market principle. Various elements of the program include: cutting social-civilian spending, reducing the living standards of working people, progressively worsening income distribution, shifting to more market-oriented economic growth strategies and so forth.
The new right agenda is developed on the basis of an argument whereby each state must choose between capital accumulation and the delivery of prosperity to the general population. In terms of the question of "domestic legitimacy", the argument is as follows: The possibilities and limits of implementing economic policies have been determined by trade deficits and debts. In order to get rid of deficits, the delivery of prosperity to the general population needs to be put aside while the export potential of capital must be strengthened. This provides a new basis for domestic legitimacy. The state and the people should confirm "the logic of capital" without interfering with the operation of free markets.

The new right argument has evolved on the basis of a falsely created theoretical contrast between the question of delivery of prosperity and capital accumulation. O'Connor (1973), and Bowles and Gintis (1982), among others, have argued that there is no necessary contradiction between state action in delivering prosperity and capital accumulation. What is needed is not a mere descriptive account of obstacles and their subsequent removal, but rather an explanation of a unique historical process that brings forth the question of lives and livelihood confronting strategies involved in capital accumulation. In my opinion, this question has been most effectively studied by K. Polanyi in The Great Transformation (1944).


In The Great Transformation Polanyi's focus is on the material organization of lives and the protective responses against this organization. He develops his argument by first considering the place occupied by the economy in society. He argues against neo-classical economic theory (Polanyi, 1944: 44-45), suggesting that it assumes a deep-seated inclination in human nature toward utility-maximizing action. The logical conclusion of this assumption is an overarching theory of human behaviour which is applicable to all times and places. In such an account, society becomes the aggregate totality of decisions made by "economic man" pursuing economic gain in the face of market situations. In contrast, Polanyi insists on studying the economy as an instituted process for provisioning, as it is placed in society. He focuses on the ways in which the economy is instituted and the ways in which that institutedness affects society, culture, and human lives. It is here that he argues for the uniqueness of the contemporary market economy, and advocates a historical and comparative approach as a corrective to neo-classical theory.
Polanyi elaborates upon the historicity of the market economy. He classifies economies according to the forms of integration dominant in each of them. These include: reciprocity, redistribution and market exchange. The discussion of non-market forms of integration raises Polanyi’s most insistent point - the embeddedness of economic activity in the general social life, such that there is no separate economic sphere with a distinct set of motives and functions. He states:

“The outstanding discovery of recent historical and anthropological research is that man’s economy, as a rule, is submerged in his social relationships. He does not act so as to safeguard his individual interest in the possession of material goods; he acts so as to safeguard his social standing, his social claims, his social assets. He values his material goods only in so far as they serve this end. Neither the process of production nor that of distribution is linked to specific economic interests attached to the possession of goods; but every single step in that process is geared to a number of social interests which eventually ensure that the required step be taken.” (Polanyi, 1944: 46).

The crux of Polanyi’s argument in relation to reciprocity and redistribution is that it is social relations and social considerations which determine economic activities (Polanyi, 1944: 46-48). Reciprocity is bound up in friendship, kinship and other social ties as gift- and counter gift-giving among individuals or groups in symmetrical social relations. Redistribution refers to vertical ties of exchange. Central authority is a necessary institution for the operation of redistribution. Central authority could be religious or political. It entails obligatory payment of material items, money or labour services to some socially recognized center, usually a king, chief or priest who reallocates portions of what is received to provide community services such as defense, food provisions or feast (Polanyi, 1944: 47-52). Administered trade is an example of redistribution since it is often undertaken by the state for political or military reasons. Tribute paid to the central authority is another example of redistribution. It reinforces the status of the central authority. The subsequent redistribution of tribute to members of the community, in turn, serves to reinforce the loyalty of members to the central authority and to one another.

By engaging in a comparative analysis of forms of integration, Polanyi’s intends to show that whereas all known societies subjugated the operation of the economy to the satisfaction of human needs and the maintenance of social-cultural relations, the transformation in the years between 1750 and 1850 produced a new kind of society in which the organizing principle is an economy based on the institution of a self regulating market (Polanyi, 1944: 149).
In order for market exchange to function as an integrative mechanism it requires the support of a system of price-making markets. The mere existence of market exchange and prices is not sufficient because market exchange which takes place at administered or treaty-given prices is not integrated by the market but by the politics of administration and treaty. A self-regulating system of price-making markets provides the base for exchange to become an integrative mechanism.

This points out the disembedded character of the market economy. Market exchange remains disembedded from social relations. In this form of integration, the economy becomes separated from other social relations and activities. Polanyi (1944: 68) summarizes this argument in the following way:

“A market economy is an economic system controlled, regulated, and directed by markets alone; order in the production and distribution of goods is entrusted to this self-regulating mechanism. An economy of this kind derives from the expectation that human beings behave in such a way as to achieve maximum money gains.”

It is only with this disembeddedness that the economy can be conceived as having its own laws, its own momentum, and its own self-regulating character of price-making. Order in the production and distribution of goods is ensured by prices regulated solely in the market.

According to Polanyi, the change from regulated to self-regulating markets at the end of the eighteenth century represented a complete transformation in the structure of society. The defining feature of this transformation is the institutional separation of society into economic and political spheres. It is with this separation that steps could be taken to make isolated markets into a market economy, and regulated markets into a self-regulated market.

This explains Polanyi’s insistence on state intervention. With respect to the state and its policies Polanyi writes:

“Nothing must be allowed to inhibit the formation of markets, nor must incomes to be formed otherwise than through sales. Neither must there be any interference with the adjustment of prices to changed market conditions - whether the prices are those of goods, labor, land, or money ... Neither price, nor supply, nor demand must be fixed or regulated; only such policies and measures are in order which help to ensure the self-regulation of the market by creating conditions which make the market the only organizing power in the economic sphere.” (Polanyi, 1944: 69).

The central theme in Polanyi’s analysis is that the development of the market economy around the principles of market competition and profit maximization can never produce a coherent outcome (i.e. a
viable, stable or desirable social order). Land, labour and money are not commodities that are produced and valued in the self-regulating market; rather, their creation is dependent on state action. The particular example that he analyzed was the role of the English Poor Law in the creation of the labour market. The Speenhamland Act of 1795 (a system of relief provided through supplemental income) had the effect of lowering wages and productivity in the countryside, while also discouraging migration to urban areas. The Act effectively prevented the establishment of a competitive labour market. It was only after the Poor Law Reform of 1834 that the competitive labour market was established (Polanyi, 1944: 77-85). It was with the abandonment of the protective Speenhamland Act that the market principle gained dominance at the expense of the social order which provided a certain degree of welfare for its members' "right to live".

The behaviour of economic actors shaped by the pursuit of profit does not produce a coherent outcome at the aggregate level. What is important, then, is a particular fit between economic action and state policy articulated under certain social and political conditions. State action/policy is not external or supplementary but constitutive of the economy. Thus, in Polanyi's view there is no contradiction between state intervention and the market logic of accumulation since the latter is only a meaningless abstraction.

The expansion of the market system is secured by an enormous increase in continuos, centrally organized and controlled state intervention (Polanyi, 1944: 139-140). This emerges most critically in the construction of a national commodity market for labour, land and money. State intervention consists of the transformation of noncommodities into commodities.

"The crucial point is this: labor, land and money are essential elements of industry: they also must be organized in markets; in fact, these markets form an absolutely vital part of the economic system. But labor, land, and money are obviously not commodities; the postulate that anything that is bought and sold must have been produced for sale is emphatically untrue in regard to them. In other words, according to the empirical definition of a commodity they are not commodities. Labor is only another name for a human activity which goes with life itself, which in its turn is not produced for sale but for entirely different reasons, nor can that activity be detached from the rest of life, be stored or mobilized; land is only another name for nature, which is not produced by man; actual money, finally, is merely a token of purchasing power which, as a rule, is not produced at all, but comes into being through the mechanism of banking or state finance. None of them is produced for sale. The commodity description of labor, land, and money is entirely fictitious." (Polanyi, 1944: 72).

Polanyi's point is that labour, land, and money cannot be transformed into commodities because they were not actually produced for sale on the market. But, the fiction of their being produced for sale on
the market becomes the organizing principle of society.

This fiction concerning the transformation of noncommodities into commodities disembedded the economy and led to the wholesale destruction of the customary way of life as social ties linking human beings to nature were destroyed and replaced by commodity production. This required active and coercive legislation, to institute a market economy in a way that would effectively force the population to either work for wages or starve. The disembedded economy does not mean that the economy is autonomous since, for Polanyi, society, culture and the state have to support a market economy. It is in this sense, according to a Polanyian view, that society becomes embedded in the market economy rather than the other way around.

The nineteenth-century ideal of a self-regulating market was an unachievable utopia. The fictional bases for the market economy indicate the mythical character of the self-regulating market economy. If markets were left to themselves, they would quickly destroy human society and the natural environment.

He summarized his beliefs in the following way:

"Our thesis is that the idea of a self-adjusting market implied a stark utopia. Such an institution could not exist for any length of time without annihilating the human and natural substance of society; it would have physically destroyed man and transformed his surroundings into a wilderness. Inevitably, society took measures to protect itself, but whatever measures it took impaired the self-regulation of the market, disorganized industrial life, and thus endangered society in yet another way. It was this dilemma which forced the development of the market system into a definite groove and finally disrupted the social organization based upon it" (Polanyi, 1944: 3-4).

As the market economy is set to begin, the crucial problem of maintaining social order appears.
The state deliberately intervenes to institute and subsequently maintain the market economy. On the other hand, the state has to deal with the reaction against it that starts in a spontaneous way as the self-protection of society (Polanyi, 1944: 141, 149). This spontaneous counteraction to the market economy is what Polanyi called a protective response.

This opens up questions about the place of the state in society. Implicit in Polanyi's argument is the idea that the state becomes the institutional manifestation of the evolving domestic political compromise over the tension between the self-regulating market principle and social protectionism. State policy is subject to a constant tension between the market principle of competitiveness shaped by the individual
pursuit of profit and the principle of social protection against the devastating effects of the market on human beings, the social-productive organization of society, and nature.

In the market form of integration, the state becomes an institutional body distant, and separate from the everyday experience of human beings. This suggests that the state under conditions of the market economy is a disembedded institution, linking local practices of individuals to the market economy. The disembeddedness of the state is a serious issue which Polanyi apparently neglected. Since the state is understood as the culmination of what he called the double movement of the nineteenth century - the blending of a self-regulating market and the protective response, state policy reflects various class and capital interests representing these movements in political life. If the market economy creates individuals who seek their own private gain (with the help of state intervention), it follows that these individuals would utilize the political process for their utility-maximizing behaviour. It is also logical to assume that regulation of a new type would be introduced to protect labour, peasants and other segments of the population from the workings of the market mechanism itself. Historically speaking, a set of new protective institutions such as trade unions and factory legislation were developed to establish controls for wages, working conditions, the use of land and so forth. This new protective legislation established the politically defined national framework of regulations within which the market would operate.

However, Polanyi’s theory is not a class theory of the state, nor a class theory of social change (Polanyi, 1944: 151-162). According to him (1944: 152), neither the cooperation nor antagonism of various classes can be understood apart from the situation of society as a whole. He expressed this view very clearly in the following argument: “whether man, nature or productive organization was concerned, market organization grew into a peril, and definite groups or classes pressed for protection” (Polanyi, 1944: 162). He wrote:

"Whether the source of the change be war or trade, startling inventions or shifts in natural conditions, the various sections in society will stand for different methods of adjustment (including forcible ones) and adjust their interests in a different way from those of other groups to whom they may seek to give a lead; hence only when one can point to the group or groups that effected a change is it explained how that change has taken place. Yet the ultimate cause is set by external forces, and it is for the mechanism of the change only that society relies on internal forces. The “challenge” is to society as a whole; the “response” comes through groups, sections and classes.” (Polanyi, 1944: 152).
In this argument, the state, as the manifestation of the evolving domestic political compromise between the self-regulating market principle and social protectionism, appears to be a relatively autonomous social organization. In this perspective, then both the state and the market economy are disembedded from society, but are embedded in the market economy.

What does it mean then to say that the state, as an institution directly intervening in the constitution of the economy, is embedded in the economy itself? This is where Polanyi’s innovative thinking comes in to direct our attention to an embedded analysis of the economy and the state, as he links the constitution of national economies to international free trade and the gold standard. He writes:

"Nothing less than a self-regulating market on a world scale could ensure the functioning of this stupendous mechanism. Unless the price of labor was dependent upon the cheapest grain available, there was no guarantee that the unprotected industries would not succumb in the grip of the voluntarily accepted task-master, gold. The expansion of the market system in the nineteenth century was synonymous with the simultaneous spreading of international free trade, competitive labor market, and gold standard; they belonged together." (Polanyi, 1944: 138-139).

The argument expressed in the above quotation is a complex one. Both the economy and the state are disembedded from society, but they are embedded in the economic, political and military-strategic relations of power within the organization of the world economy. This needs to be elaborated in order to explain how it is that locally-lived culture is articulated as a protective response at the level of national politics against the larger economic, political and military-strategic processes. The complexity of the argument arises from the fact that the very articulation of the culture, in a Polanyian sense, is also constitutive of the economy.

It is necessary to build my analytical foundation by incorporating the theories of the world economy and the state system into the discussion. This will help in developing an explanatory framework, so that the complexity of economic, ideological-cultural, and political-strategic factors, all operating nationally and transnationally, can come through.

3.2. International Order and Diversity of National Conditions

Polanyi’s argument, which sees the economy as an instituted process, is that the military balance of power, the international gold standard, the self-regulating market, and the state are all constitutive of the
international system (Polanyi, 1944: 3-30). National policies related to labour, production, and finance are part and parcel of the dynamic and conflictual state-to-state relations involved in defining and managing a time-specific international order. An extension of this view would suggest that despite diversity in national economic structures, social structures and political systems, economic strategies of the states must evolve along broadly similar lines, or they must be complementary to each other.

On the other hand, in relation to Polanyi's concept of "protective response", the form, content and meaning of these policies vary within and between each national political context. I now face the question of how it is that national policies are constituted through and constitutive of a specific international system. This requires an examination of the actual existing relations of the world economy and the role of the state in mediating these relations in a way that will bring together the factors which are external and internal to each state as well as define the mechanisms and contingencies involved. Here the aim is to answer the central question of why certain states adopt specific strategies and sustain them over time, and how and when they shift these strategies. This will also shed light on the question of how a change in the international order is part of national divergence.

One way of analyzing the reciprocal relationship between state-to-state relations and economic processes is to link Bryan's (1987) approach with van der Pijl's (1984). Bryan's emphasis is on capital fractions, which take varying historical forms, the interests of which are not confined within national boundaries. Bryan describes varies forms of internationalization of the economy in relation to state policies. He starts with the premise that there are international capital circuits within national states. Territorial boundaries of the state, although variable, form the lines of fragmentation of capital in general. Total capital circulates globally. The movement of various forms of capital (money, products and labour) and the relocation of production has no inherent political boundaries, it may occur in national and international settings. Monetary, trade and investment controls of the state mediate this movement (Bryan, 1987: 261). But production (the organization of labour markets and processes) always requires a national context.

Bryan differentiates capital fractions into four types of capital circuits: 1- the national circuit: production, realization and reproduction occur within the nation; 2- the global circuit: realization and
reproduction are located according to world market conditions of profitability by transnational corporations; 3- the investment constraint circuit: realization occurs internationally, but reproduction is confined within the nation; 4- the market constraint circuit: production occurs in a nation by transnational corporations. The latter three circuits constitute forms of internationalization of the economy. The form of the integration of an individual capital fraction into the international economy is related to the effects of the state system on the character of its circuits (Bryan, 1987: 261).

Van der Pijl's focus is on the historical character of that part of the state system defined as the "Atlantic political economy", that is the U.S and Western Europe. He uses the concepts "ultra-imperialism" and "sphere of interest" to capture the complex and contradictory nature of the Atlantic state system. In "ultraimperialism", capital fractions have been transnationally integrated via political parties so that it is in their interest to favour stability. "Sphere of interest" refers to economic rivalry between European nations and the U.S. Simultaneous movements of economic rivalry and integration are expressed through changes in the state system of the Atlantic economy. According to van der Pijl, the political organization of the Atlantic economy was always partial and unstable because of the ongoing political struggles within the boundaries of each state. In so arguing, however, van der Pijl does not reinforce the argument that domestic political struggles determine the real political choices that are available for each state in organizing particular patterns of national political economies. Rather, he argues that political struggles which take place within the boundaries of each state are constructed within the complexities of the state system. They take different forms in each state, yet constitute particular patterns in Atlantic relations. The characteristic form of state within Atlantic relations after WWII reflected a welfare state structure of productivist class compromise which synthesized the tension between internationalism and state intervention (O'Connor, 1973).

Friedmann's (1991) focus is on the military aspect of the state system as the institutional space of the world economy. She specifies the relevance of military and geopolitical competition in organizing the world economy. The reconstruction of Western Europe along Fordist lines and its integration into the American security system was a primary political objective of American policy in the postwar period. The Cold War military alliances of NATO and the Warsaw Pact were transnational forms of political
institutions which integrated the economic spaces of national states. This also includes internationalized segments of national capital, divided into two distinct regulative spaces for two international economies, the Atlantic economy and the Socialist economy. The blocs provided the basis for the constellation between state and capital as one type of supersession of nations (Friedmann, 1991: 33). NATO capitalism was the framework for van der Pijl’s analysis of the Atlantic economy. The NATO economic bloc was dependent on the shifting interests and power relations favouring Atlantic integration over both the national model and international links to Eastern Europe. It regulated the circulation of capital and contained the tension between Atlanticist and European integration, represented by fractions of capital and factions of political parties.

As I have previously suggested, implicit in Polanyi’s *The Great Transformation* is the notion that nation-states are the institutional manifestation (the “domestic” spaces) of political compromises between the self-regulating market and social protection. This suggests that the domestic political compromise defines and contests the links between national spaces and the outside world (in this case, the Atlantic political economy). Because state policies must balance domestic political compromises with those formed in the international order, I suggest that the imaginative power of nationalism enables political parties to mobilize the support of the common people. It is possible that this nationalist imagining hinges on the perception of “the West”. In the process of imagining, the nation becomes either comparable to or opposed to those nations in the West. The nationalist imagining becomes mediated by the larger economic and politico-military processes involved in the organization of a specific international order, on the one hand, and protective national resistance against it, on the other. In this way, the politicization of Islam appears to be seen as a nationalist response to the organization of economic and politico-military relations at the world level. Such a response concerns the incorporation of a national space within the historically specific relations of the state system involved in the articulation of these two dimensions of power (economy and politico-military). On the other hand, the Islamic response is part of the complex economic, political and ideological processes at work in the construction of a national space, and thereby constitutive of the economy. It is not obvious that Islam can be seen as a protective response against market forces of the transnational economy; it might be a player or participant in the constitution of the transnational economy.
It is now appropriate to introduce a discussion of culture and nationalism in order to understand how ideologies of cultural unity are constructed and how they offer various interpretations on the organizing framework of national political space. Once again, my aim in the present work is to reformulate the politics of Islam as it has been shaped in the intersection between state, economy, and geo-strategic (military) relations.

3.3 The Construction of Nationhood

It is nationalism which provides the most powerful narrative for a territory, a common ancestry, a history and a shared sense of community; that is to say, the relation between individual citizen and civic community or nation (A.D. Smith, 1991). Even though nationalism is powerful, we cannot assess the ideological effects of the relation between individual citizen and nation without considering the degree to which this civic community (or nation) is an "imagined community" (B. Anderson, 1991). The nation is certainly real enough to mobilize "people", even to the extent that they will die for their country; nevertheless it is a fiction, an abstraction, separate from the daily experience of individuals. The socio-cultural and economic dimensions of immediate human experience are divorced from the nationalist "construction" of the "people". They are no longer defined as an active community but as a collection of individuals whose public aspect is represented by a distant state.

The conceptualization of the "national", however, presents a series of difficulties for social theory. Since the emergence of sociology, the concepts of "the state", "nation" and "people" have been highly contested. Phillip Abrams has clearly highlighted the difficulty of studying the state and nation in the following passage on the state:

"... By 1919... the combined efforts of Hegelians, Marxists and politicians had wrought a change: 'nearly all political disputes and differences of opinion', Lenin could then observe, 'now turn upon the concept of the state' - and more particularly upon "the question: what is the state?" At least among sociologists his observation seems to be still very largely correct: (seventy years) of asking the question have not produced any very satisfactory or even widely agreed answers ... We are variously urged to respect the state, or smash the state or study the state; but for want of clarity about the nature of the state such projects remain beset with difficulties." (P. Abrams, 1988: 58-59).

As Abrams has pointed out in relation to the state, such conveniently used concepts as "the nation",...
“the state” and “the people” are quite problematic and highly contested. An understanding of the “national” requires that we break it down into several further questions, such as: who is the nation? Why and how is the nation? And when and where is the nation?

3.3.1. Nationhood as a Modernity project: E. Gellner

One possible answer to the above question comes from the modernization school. One of the most important and interesting of these theories of nationalism was advanced by Ernest Gellner in Thought and Change (1964) and Nations and Nationalism (1983). Gellner provides us with an important argument against the “primordial” nature or “naturalness” of nations. He proposes that we study the nation as a temporal process. In advancing the cultural constructedness of nationhood, he attempts to formulate the conditions under which a unitary conception of “the people” is developed.

According to Gellner, “(n)ations as a natural, God-given way of classifying men, as an inherent though long-delayed political destiny, are a myth” (Gellner, 1983: 48-49). Nationalism sometimes takes pre-existing cultures or cultural wealth and turns them into nations, yet it does so very selectively. Nationalism quite often invents cultures.

“Dead languages can be revived, traditions invented, quite fictitious pristine purities restored. ... The cultural shreds and patches used by nationalism are often arbitrary historical inventions” (Gellner, 1983: 56).

In his formulation, nationalism is not the awakening and assertion of mythical, natural and given units, but the invention and often obliteration of pre-existing cultures. The recently invented cultures now seem to be the natural repositories of political legitimacy.

Nationalism gives a unitary-collective meaning to the everyday experiences of life. This unified culture is the subject of cultural identification that functions in the name of “the people”. Gellner argues that nations can only be defined in terms of the age of nationalism. He wrote:

“It is not the case that the ‘age of nationalism’ is a mere summation of the awakening and political self-assertion of this, that, or the other nation. Rather, when general social conditions make for standardized, homogeneous, centrally sustained high cultures, pervading entire populations and not just elite minorities, a situation arises in which well-defined educationally sanctioned and unified cultures constitute very nearly the only kind of unit with which men willingly and often ardently identify. The cultures now seem to be the natural repositories of political legitimacy. Only then does it come to appear that any
Between the shreds of the complex strategies of cultural identification and the certainties of nationalism that offer a unified conception of "the people", Gellner poses the question of nation as an invention. According to him, "nationalism invents nations where they do not exist". With this formulation, Gellner points out the temporality of the nation. In so doing, Gellner provides a corrective to the argument which views nations as primordial and natural entities. In his analysis, nationality, nationness and nationalism appear as cultural artefacts of a particular kind. The idea of nation as a community of shared traditions appear to have a fictitious quality.

Gellner's point is that the concept of nation associated with the arbitrarily invented homogeneous view of national culture subordinates other forms of life which he identifies as the "cultural shreds and patches" of lives and livelihoods. This is the source of conflict that the unified conception of nation has with everyday life practices. Before proceeding with this argument, I will pause and ask a question: How does such a holistic, unitary representation of society emerge? What are the general social conditions that necessitates the idea of nation in the age of nationalism?

Gellner's thesis is based on the assumption that nationalism is a necessary and important component of the overall process of modernization, which he associates with the processes of industrial capital accumulation. In explaining the correspondence between the development of industrial capitalism and nationalism, Gellner develops his theory on the basis of the conceptual distinction between structure and culture. He claims that in pre-capitalist society, which he defines as traditional society, where relationships are fairly well-known and roles are firmly prescribed, shared culture is not a precondition of effective communication.

"In the stable, repetitive relationship of lord and peasant, it matters very little whether they both speak (in the literal sense) the same language. They have long ago sized each other up: each knows what the other wants, the tricks he may get up to, the defences and counter-measures which, in the given situation, are available and so on" (Gellner, 1964: 154).

Industrial capitalist society, on the other hand, is "the society of perpetual growth", which implies continuous innovation and a high degree of social mobility. According to Gellner, "(T)he old stability of the social role structure is simply incompatible with growth and innovation" (Gellner, 1983: 24). Growth,
innovation and high productivity, he wrote,

"requires a complex and refined division of labour. Perpetually growing productivity required that this division be not merely complex, but also perpetually, and often rapidly, changing .... Men located within it cannot generally rest in the same niches all their lives; and they can only seldom rest in them, so to speak, over generations. Positions are seldom ... transmitted from father to son" (Gellner, 1983: 24).

Modern industrial-capitalist society also has structure. Bureaucracy represents an important structure and there are rigidly ascribed social roles within organizations, but structure weighs much less heavily in industrial society - individuals can move in and out of these relatively freely (Gellner, 1964: 154-155). As a consequence, the role of culture increases in modern society.

"In simple societies culture is important, but its importance resides in the fact that it reinforces structure - the style of being and expression symbolizes, underlines the substance, the effective role, activities, relationships. In modern societies, culture does not so much underline structure: rather it replaces it" (Gellner, 1964: 155).

According to Gellner, the unifying force of linguistic culture becomes very important (and for Gellner, the core of culture is language) in the formation of nations in the industrial era. Linguistic culture, in turn, requires a large scale educational system. Linguistic and/or cultural limits fix the "natural" boundaries of nations. Gellner explains why this is so. The continuously changing, innovating and growing society requires a high degree of mobility, which in turn requires a relatively high degree of equality.

"Modern society is not mobile because it is egalitarian; it is egalitarian because it is mobile" (Gellner, 1983: 24-25). Mobility and egalitarianism can more easily be secured where people share certain common cultural frames of reference. Gellner claims that industrial society is more homogeneous than the traditional one because the high degree of mobility dictated by the requirements of industrialization also requires the unifying force of culture - to be attained through a centrally organized and common education for all members of the nation.

Gellner has argued that the dissolution of the previous social-cultural arrangements as dictated by the requirements of the capitalist economy did not result in the total collapse of cultural community, although that risk was always present. The old institutions lost their hold over the people, but national culture was invented to replace the old structure and create a homogeneous conception of society. This compares with Polanyi's argument on the reconstruction of society under conditions of commodification.
Polanyi argues that society is reconstructed by reaching a fine balance between the commodification process and the protective response of society against market forces. For Polanyi, society, through forces coming from within society itself, would resist the unrestricted penetration of capital relations: it would create "new" fictions as a defensive response against market forces and the material re-organization of human life. For Gellner, who does not speak about capital relations, reconstruction would be in the form of nationalism, constructed not through complex strategies of societal forces, but through an arbitrary invention by the state in order to facilitate the development of industrial capitalism.

Gellner offers an alternative to the dissolution of traditional arrangements and, therefore, to the development of national society. Alternative processes of change are about the question of "culture" replacing "structure", implying that old institutions have dissolved, although not in the sense of leaving the individual in a social-moral vacuum with a lost culture. According to Gellner, the shift from structure to culture results in societies which are more homogeneous than the non-industrial/traditional ones. The development of industrial capitalism depends on a homogenization process in the cultural field. Gellner calls this process nation-making.

Industrial society is coloured by the rise of universal high culture, and underlines the age where "everyone has become a Mamluk" (Gellner, 1983: 37). "High culture" which was carried by elite in the traditional society becomes universalized in the industrial society; school-transmitted culture is now the necessary shared medium, the life blood of industrial society (Gellner, 1983: 35-38). Therefore, for Gellner, contrary to popular and even scholarly belief, nationalism does not have very deep roots in the human psyche.

"The human psyche can be assumed to have persisted unchanged through the many millennia of human history, and not to have become either better or worse during the relatively brief and very recent age of nationalism. One may not invoke a general substrate to explain a specific phenomenon. The substrate generates many surface possibilities. Nationalism, the organization of human groups into large, centrally educated, culturally homogeneous units, is but one of these, and a very rare one at that" (Gellner, 1983: 34-35).

In Gellner's analysis, the roots of nationalism lie in the distinctive structural requirements of industrial capitalism which require "a deep adjustment in the relationship between polity and culture" (Gellner, 1983: 35). In agrarian-traditional society state and culture are incongruent because the rulers
(emperors, sultans, kings, shahs) and the ruling classes (aristocrats, priests, ulema, scholarly literati) manipulate a “high culture” enshrined in a written language which is both incomprehensible to and transcends the many particularistic “low cultures”. There is no correspondence between the boundaries of state and folk cultures, and nearly all states are multi-cultural, indeed multi-linguistic (Gellner, 1983: 8-18). In industrial society, on the other hand, state and culture (linguistic culture) are congruent. Nationalism as a political principle or as a sentiment is all about maintaining this congruence between state and culture. Cultural and linguistic plurality is no longer possible or tolerable, so one of these linguistic low cultures must be chosen by the state, and universalized through the medium of the state education system.

As I have pointed out earlier, Gellner’s point is that the elevation of an arbitrarily chosen culture to the political eminence of high culture conflicts with other interpretations of everyday life practice. He identifies other cultural views with the “shreds and patches” of lives and livelihood. This is the source of conflict between the certainty and uniformity represented by the idea of nation and these shreds and patches of life. Gellner argues that there are limits to the universalization of one of the linguistic cultures of the multi-cultural agrarian society (Gellner, 1983: 38-52). A variety of linguistic and cultural groups, including religious groups, might refuse to be eroded by the linguistic culture “chosen” by the state for universalization.

In Gellner’s analysis race and religion serve as examples of possible sources of conflict if the groups who are impoverished and disadvantaged in the process of creating an industrial society are those who speak a language different from the one chosen for universalization. The choices for these groups are twofold: they can either abandon their claim for a distinct culture and language or they can use their culture as a claim for a nation-state of their own. If the second option is followed, it is at these boundaries of race, religion and language that new nationalisms are born either in the form of irredentism, on behalf of a nation which does not yet exist, or on behalf of a radical re-drawing of existing boundaries. Thus, according to Gellner, language provides a unifying agency for social and geographical mobilities while race and religion are likely to disrupt this tendency if these groups are disadvantaged in the process of linguistic unification (Gellner, 1983: 45-52).

The main argument in Gellner’s analysis is not that nationalism imposes cultural homogeneity;
rather, it is that a homogeneity imposed by the economic and social processes of industrial capitalist
development is the basis of nation-state making. Industrial capitalism conditions the creation of nations
distinguished from earlier forms in the realm of culture by their fictional quality. This is an economically
reductionist argument. Gellner, along with earlier modernization theorists, identifies modernization with the
development of science and technology as the basis of industrialization, and a simultaneous transformation
of beliefs (Gellner, 1964: ch. 6,7). He argues that this was the key to European modernization. He extends
this argument to the “Third World” and states that “the most important thing at present happening to the
majority of mankind (i.e. its ‘underdeveloped’ part) is the diffusion of industrialization and all it implies”
(Gellner, 1964: 28). Here, he suggests that the “industrial mode of production” uniquely determines the
cultures of societies in the “Third World”, as was the case, according to Gellner, in European countries. He
underlines this by linking the rise of nationalism in the “Third World” to the industrial penetration of
Western societies into agrarian societies.

This emphasis on the rise of nationalism in the “Third World” as a direct outcome of what Trotsky
called the “combined and uneven development” characteristic of early industrial capitalism, creates some
serious problems. The essence of Gellner’s argument is tied to the link between industrialization and
nationalism. “Combined and uneven development” has two consequences: it erodes traditional agrarian
structures, on the one hand, and transforms different areas of the world unevenly, affecting them at
different times and rates, and with a different impact. The problem with this argument lies in the fact that
Gellner conflates “industrial society” with other forms of economic expansion including commodity
production and trade. Therefore, his theory does not correspond with the historical periodization of the
development of nationalism. When we consider the beginning of colonial nationalism, for example, it is
not easy to link the emergence of nationalism to industrialization (B. Anderson, 1991). Even the British
case does not seem to confirm Gellner’s thesis. In Britain, nationalism and national culture began to emerge
long before industrialism in the early seventeenth century (Greenfeld, 1992: 29-87).

Gellner does not specifically examine the rise of nationalism in non-Western historical settings, but
he sees it as a direct outcome of the “combined and uneven development” of industrialization. This has
important consequences for a typology of nationalism as developed in different parts of the world.
3.3.2. Nationhood in Non-Western Historical Settings: A.D. Smith

A. D. Smith (1991) takes up this issue and suggests a typology on the basis of a dichotomy between "Western" nationalism and "Eastern" forms. In his typology, "Western" nationalism is defined as being civic-territorial and "Eastern" nationalism as ethnic-genealogical (Smith, 1991: 81). He writes:

"Historic territory, legal-political community, legal-political equality of members, and common civic culture and ideology; these are the components of the standard, Western model of the nation ... At the same time a rather different model of the nation sprang up outside the West, notably in Eastern Europe and Asia ... We can term this non-Western model an 'ethnic' conception of the nation. Its distinguishing feature is its emphasis on a community of birth and native culture ... Genealogy and presumed descent ties, popular mobilization, vernacular languages, customs and traditions: these are the elements of an alternative, ethnic conception of the nation, one that mirrored the very different route of 'nation-formation' travelled by many communities in Eastern Europe and Asia." (Smith, 1991: 11, 12-13).

After identifying these dimensions as "Western" and Eastern, Smith points out the dual character of all nationalisms in a way that reveals their civic and ethnic elements in varying degrees and forms (Smith, 1991: ch. 3). It is here that Smith departs from Gellner. Unlike Gellner\(^1\) who sees nations as fictions invented along arbitrarily chosen (even fabricated) cultural premises, A.D. Smith sees some degree of "naturalness" and "genuineness" in the creation of nations. He develops this thesis in The Ethnic Origins of Nations (1986). According to Smith, the first nations of the "West" (Britain, France, Spain and Sweden) were built on the basis of an ethnic core which provided the basis for a mono-cultural ideology of the nation-state (Smith, 1991: 54-61).

"Eastern" nationalism, on the other hand, involves various orientations on the road to the formation of nations: "a conscious, modernizing return to tradition (or traditionalism); a messianic desire to assimilate to Western modernity and all its works ('assimilation' or 'modernism'); and a more defensive attempt to synthesize elements of the tradition with aspects of Western modernity and revive a pure and pristine community modelled on a former collective golden age (or 'reformist revivalism')." (Smith, 1991: 63-64).

Yadav evaluates the dual character of nationalism in Smith's work as part of an academic tendency to resolve this doubleness in self-valorizing ways (Yadav, 1994: 198). Yadav's point is that Smith connects his argument to a theory about the "timeliness" of a given nationalism for indicating the position of the

\(^1\) It is appropriate here to remind ourselves of Gellner's attribution of a fictitious quality to nations. He wrote: "Dead languages can be revived, traditions invented, quite fictitious pristine purities restored. ... The cultural shreds and patches used by nationalism are often arbitrary historical inventions." (Gellner, 1983: 56).
community in question, in relation to the development of industrial capitalism - i.e. the "place" it has reached or is willing to embrace in this process (Yadav, 1994: 198-199). According to Yadav, for non-Western societies, keeping up with the times, as a kind of submission to present realities of the capitalist economy, becomes a political imperative in its own right, so that "Western" nationalism provides a model to be imitated by "official" nationalism in the "East" (enforced from the top down through the repressive state apparatus). In this way, not only the nation-states but also the cultures become constructed through an academic discourse of nationalism around Eurocentric premises (Yadav, 1994: 200). The process of construction, according to Smith, involves efforts to combine "natural" or "genuinely" existing ethnic-cultural qualities with civic-territorial considerations.

Smith's interpretation of the differences between Western and Eastern nationalisms as a function of their differential economic-political structures (vis-a-vis the development of industrial capitalism) complements Tilly's argument for the expansion of the system of nation states. Tilly theorized these differences in terms of the distinct historical trajectories involving geographical distribution of coercion and capital (Tilly, 1990). In the Western trajectory, rulers followed a "capital-intensive" path of state formation. The basis of this trajectory was the specific form of the economy and configuration of classes which gave way to the accumulation of capital. The states in Eastern Europe, on the other hand, developed according to a "coercive-intensive setting" without raising large amounts of cash (1990: 14, 187). Given the diversity in the historical trajectories of state formation between these geographic regions, Tilly argues (1981 and 1990) that there is no single trajectory of state-nation making. Unlike Smith who sees some degree of genuineness in the cultural roots of nationalism, Tilly conceptualizes nation-state formation as a political project reflecting a distinct configuration between capital and coercion in different places. The possibilities, capacities and institutional structuring of these places are to be found in the changing class coalitions and their political representation within the territorial boundaries of the states. Territorial boundaries are variable. War making and preparation for war among the states defines the shape and limits of the entire process of nation-state formation. Thus, the nation-state is intimately linked to larger military-strategic considerations that condition the geographic-territorial limits of capital relations at the world level.

Following Yadav's critique of A.D. Smith's distinction between Western and Eastern nationalisms,
what we learn from Tilly is that places and societies cannot be distinguished in the realm of ideology by their civic-territoriality/ethnic-genealogy. In this respect, Gellner's assertion of nations as unauthentic/invented communities does not explain the territorial expression of cultures as nations. This fits very nicely with B. Anderson's argument of nationhood as "imagined communities". Anderson (1991) sees nationalism as the product of how communities and places are imagined on the one hand and how they are actually constituted through capitalism's historical trajectory of geographical expansion on the other. As D. Harvey (1993: 16) has pointed out, Anderson argues that communities and places cannot be distinguished by their falsity/genuineness, but only by the style in which they are imagined. I will now proceed with Anderson’s theory of nations.

3.3.3. Nations as Imagined Communities: B. Anderson

The best corrective to both Gellner and A.D. Smith comes from B. Anderson’s *Imagined Communities* (1991). Anderson begins with the cultural roots which enable nationalists to imagine and/or create nations.

According to Anderson, the very possibility of imagining the nation only arose, in historical terms, when three fundamental cultural conceptions lost their hold over people. These were: 1- a particular script-language of religion which concentrated the knowledge of the written word in the hands of a few; 2- the belief that society was naturally organized around high centers, in the form of dynastic rulers, and capitals of empires; and 3- the inseparability of history from cosmology. Like Gellner, Anderson emphasizes that the historical emergence of nations is intimately connected to the spread of literacy and education. According to Anderson (1991: 46), the convergence of capitalism and print technology - which resulted in dramatic reduction in the diversity of human languages, created the possibility of a new form of imagined community, which set the stage for the modern nation. For Anderson, the nation is an ideological construct to which each individual consciously belongs. Each individual identifies with a civic community (nation) and has a sense of imagined solidarity with other individuals in that community.

Anderson does not believe that the sense of belonging and the sentiment of national solidarity constitutes national communities. An individual is a being whose social character has been constructed to
communicate and perceive reality in a codified manner. In this sense, then, medieval Christendom, early Islam, and Confucian China were also communities. All the great classical communities conceived of themselves as cosmically central, through the medium of a sacred language linked to a superterrestrial order of power (Anderson, 1991: 13). They were imagined not as communities of language speakers but as readers of texts in which signs themselves were sacred. A written religious script plays a central role in imagining these communities. This does not mean that the illiterate masses who could not read the religious texts were excluded from the community. The written script of the sacred was transmitted to the illiterate masses through a priestly class. Regardless, the mediation of the principles of the sacred community was primarily visual and aural in nature. The reliefs, stained-glass windows of medieval churches and the religious paintings played a role in creating a sense of belonging (Anderson, 1991: 22). The communities of believers were neither geographically nor socially centered but vertically linked through their commonly accepted sacred belief, as mediated either indirectly by a priestly class of readers or directly by their observation of religious art.

The change from the conception of a community of believers linked together by a sacred written text involved a change from a particular cosmology and a certain apprehension of time (Anderson, 1991: ch. 2). The emergence of the idea of nationhood was conditioned by a total change of time and causality such that the members of the “nation” come to live together in time. Time is now conceived as a homogeneous, empty vehicle through which the nation constructs its own past, present and future. Homogeneous, empty time was measured by clock and calendar. The novel and newspaper were the technical means of imagining possible forms of life (Anderson, 1991: 24-31). The construction of nationhood as distinct from the earlier imagined communities of believers consisted of the substitution of a written script of vernacular languages for the written script of the sacred. Through novels and newspapers, as the basic technical means for representing possible forms of human existence, religious notions become transformed into new-historical principles. Certainty about the belief that society was naturally organized around some unchanging, divinely ordained principles, and that human lives were firmly rooted in the very nature of things, was abolished. The great power of the idea of the nation found its image in the disclosures of everyday life through the print media. The narratives about human existence and the plurality of lives in
that existence are expressed within the homogeneous empty time, and, thus, transformed into a new
continuity. Nationalism was about embedding present existence into a new conception of past and future,
not as being inscribed in God's will, but as rooted in an empty time (Anderson, 1991: 11). B. Anderson
argues

"... few things were (are) better suited to this end than an idea of nation. If nation-states are
widely conceded to be 'new' and 'historical', the nations to which they give political
expression always loom out of an immemorial past, and still more important, glide into a
limitless future. It is the magic of nationalism to turn chance into destiny. With Debray we
might say, 'yes, it is quite accidental that I am born French; but after all, France is

For Anderson, it would be short-sighted to think of the imagined communities of nations as
growing out of and then replacing religious communities and dynastic realms. He asserts a strong affinity
between nationalist and religious imaginings in the genesis of nationalisms. He states:

"Needless to say, I am not claiming that the appearance of nationalism towards the end of
the eighteenth century was 'produced' by the erosion of religious certainties, or that this
erosion does not itself require a complex explanation. Nor am I suggesting that somehow
nationalism historically 'supersedes' religion. What I am proposing is that nationalism has
to be understood by aligning it, not with self-consciously held political ideologies, but with
the large cultural systems that preceded it, out of which - as well as against it - it came into

The 'territorialization' of universal religions in the long era of Absolutist monarchy paved the way for
emotionally powerful trinities between God, King and country. This is contrary to Gellner's claim that
nations were invented by states in the realm of ideology as dictated by the dissolution of the structures of
traditional societies through the penetration of an industrial economy. Anderson's point is a complex one
and needs to be elaborated.

Anderson suggests that the territorialization of faiths was a political project which appeared, first,
as the effect of the explorations of the non-European world. Explorers' encounters with other forms of
human life gave way to the idea that "our nation is the best" in a competitive and comparative manner. And
second, the advent of printing with the invention of movable type laid the foundation for the gradual
replacement of the sacred language by vernacular languages. In the process, the sacred communities
integrated by old sacred languages were gradually fragmented, pluralized and territorialized (Anderson,
After exploring the coalition between Protestantism and print-capitalism which created a mass readership for religious texts and popular literature (Anderson, 1991: 38-40), he suggests that the relationship between printed books in vernacular languages, in particular religious texts, and the market, provided the linkage in the emergence of the idea of nationhood. This was accompanied by the spread of vernacular languages as instruments of administrative centralization by absolutist monarchs. Even though there was no idea of systematically imposing the language on the dynasts’ multi-linguistic populations, in the political fragmentation of Western Europe into absolutist states it became clear that no monarch could monopolize Latin and make it his exclusive language of state.

For Anderson, the interaction between a system of production and productive relations (capitalism), a technology of communications (print), and the demise of human linguistic diversity contributed to the decline of the imagined community of faith and made the new national communities imaginable. In this argument recognition of the death of particular languages is essential for comprehending the general condition of linguistic diversity. But, this fatality does not correspond to a particular territorial unit. What is essential is the interplay between the fatality of linguistic diversity, technology and capitalism. He explained its importance:

“Particular languages can die or be wiped out, but there was and is no possibility of humankind’s general linguistic unification. Yet this mutual incomprehensibility was historically of only slight importance until capitalism and print created monoglot mass reading publics.” (Anderson, 1991: 43).

To sum up, Anderson (1991: 44-45) argues that print languages laid the basis for national consciousness in three distinct ways: 1- they created unified fields of exchange and communication. Speakers of a great variety of vernacular languages became capable of understanding each other via print and paper; 2- print capitalism gave a fixity to language. The words of our seventeenth century forebears are accessible to us; and 3- print capitalism created languages of power different in kind from the older administrative vernacular. Certain dialects were “closer” to each print language and dominated their final forms. Others, even though they could be assimilable to the emerging print language, lost out because they were unsuccessful in insisting on their own print-form. He emphasizes this final point by stating that

“the fixing of print-languages and the differentiation of status between them were largely unconscious processes resulting from the explosive interaction between capitalism,
technology and human linguistic diversity. But as with so much else in the history of nationalism, once "there" they could become formal models to be imitated, and, where expedient, consciously exploited in a Machiavellian spirit. Today, ... (the fate of the Turkic-speaking people in the zones incorporated into today's Turkey, Iran, Iraq, and the USSR is especially exemplary. A family of spoken languages, once everywhere assemblable, thus comprehensible, within an Arabic orthography, has lost that unity as a result of conscious manipulations. To heighten Turkish-Turkey's national consciousness at the expense of any wider Islamic identification, Ataturk imposed compulsory romanization. The Soviet authorities followed suit, first with an anti-Islamic, anti-Persian compulsory romanization, then, in Stalin's 1930s, with a Russifying compulsory Cyrillicization.” (Anderson, 1991: 45-46).

Anderson argues that the concrete formation of contemporary nation-states is by no means isomorphic with regard to the determinate reach of particular print-languages. To account for the discontinuity between print-languages, national consciousness, and nation-states, he examines the colonial nationalisms. It is in a colonial context that he links language to a sense of community through print capitalism, through social and geographic mobility, and through the shape of administrative and educational pyramids. Therefore, Anderson develops an ideological approach to nationalist imagining in the specific area of colonial nationalisms. In contrast to Gellner's approach, Anderson's theory concerns colonial nationalist movements in Latin America, Africa and South-East Asia (especially Indonesia, Laos, Vietnam and Cambodia) where European style middle classes and an intelligentsia were still insignificant, and there was little evidence of an emerging industrial society. Moreover, "far from seeking to induct the lower classes into political life", in such cases as Mexico, Venezuela and Peru the fear of "lower class" mobilization (Native Indian, Black slave uprisings) was the driving impetus for colonial functionaries seeking independence from the metropole. The nations of these colonial areas were the construction of colonial functionaries. In that construction, the written/print language of colonial administration was central. It was the vernacular language of the imperial center.

According to Anderson, neither economic interest, Liberalism, nor the Enlightenment could, or did in fact, create in and of themselves, the kind or shape of the imagined community. In accomplishing this specific task, pilgrim Creole functionaries and provincial Creole printmen played a decisive historic role. The modal journey prior to nations is the pilgrimage (Anderson, 1991: 53). In a pre-print age, the reality of the imagined religious community was dependent on countless, ceaseless travels. The most important of its secular counterparts were the unique journeys created by the rise of absolutizing monarchies.
“The inner thrust of absolutism was to create a unified apparatus of power, controlled directly by, and loyal to, the ruler over against a decentralized, particularistic feudal nobility. Unification meant internal interchangeability of men and documents. Human interchangeability was fostered by the recruitment - naturally to varying extents - of homines novi, who, just for that reason, had no independent power of their own, and so could serve as emanations of their masters’ wills. Absolutist functionaries thus undertook journeys which were basically different from those of feudal nobles. The difference can be represented schematically as follows: In the modal feudal journey, the heir of Noble A, on his father’s death, moves up one step to take that father’s place. This ascension requires a round trip, to the centre for investiture, and then back home to the ancestral demesne. For the new functionary, however, things are more complex. Talent, not death, charts his course. He sees before him a summit rather than a centre. He travels up its corniches in a series of looping arcs which, he hopes, will become smaller and tighter as he nears the top. Sent out to township A at rank V, he may return to the capital at rank W; proceed to province B at rank X; continue to vice-royalty C at rank Y; and end his pilgrimage in the capital at rank Z. On this journey there is no assured resting-place; every pause is provisional. The last thing the functionary wants is to return home; for he has no home with any intrinsic value. And this: on his upward-spiralling road he encounters as eager fellow-pilgrims his functionary colleagues, from places and families he has scarcely heard of and surely hopes never to have to see. But in experiencing them as travelling-companions, a consciousness of connectedness (‘Why are we ... here ... together?’) emerges, above all when all shares a single language-of-state. Then, if official A from province B administers province C, while official D from province C administers province B - a situation that absolutism begins to make likely - that experience of interchangeability requires its own explanation: the ideology of absolutism, which the new men themselves, as much as the sovereign, elaborate.” (Anderson, 1991: 55-56).

As with absolutism, so with colonial nationalism. The journey of functionary pilgrims has a specific shape. Their pilgrimage is determined by the isolation of the colonial territory from the immense stretch of the Spanish-American Empire, and the restriction of “indigenous” colonial bureaucrats to the territory. Yet the “cramped viceregal pilgrimages had no decisive consequences until their territorial stretch could be imagined as nations, in other words, until the arrival of print-capitalism” (Anderson, 1991: 61).

Thus, the emergence of a territorial loyalty and consciousness becomes translated to a national loyalty and consciousness by the print-media. The newspaper-readers of Mexico City, Buenos Aires, and Bogota, even if they did not read each other’s newspapers, were nonetheless quite conscious of their existence. Yet this awareness did not generate a permanent Spanish-American-wide nationalism. This

“reflects both the general level of development of capitalism and technology in the late eighteenth century and the ‘local’ backwardness of Spanish capitalism and technology in relation to the administrative stretch of the empire. (The world-historical era in which each

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2 Anderson’s use of interchangeability of men comes close to Gellner’s contention that in “modern” industrial societies culture replaces structure in a way that man can move in and out of the structurally determined role positions relatively freely.
nationalism is born probably has a significant impact on its scope. Is Indian nationalism not inseparable from colonial administrative-market unification, after the Mutiny, by the most formidable and advanced of the imperial powers?)" (Anderson, 1991: 63).

Once Anderson has elaborated this model for Latin America, he applies it to other colonial nationalisms. Thus, he defines nation as follows:

"it is an imagined political community - and imagined as both inherently limited and sovereign... It is imagined because the members of even the smallest nation will never know most of their fellow-members, meet them, or even hear of them, yet in the minds of each lives the image of their communion... The nation is imagined as limited because even the largest of them ... has finite... boundaries... It is imagined as sovereign because the concept was born in an age in which Enlightenment and Revolution were destroying the legitimacy of the divinely-ordained, hierarchical dynastic realm... Finally, it is imagined as a community, because, regardless of the actual inequality and exploitation that may prevail in each, the nation is always conceived as a deep, horizontal comradeship. Ultimately it is this fraternity that makes it possible ... for so many millions of people ... willingly to die for such limited imaginings." (Anderson, 1991: 6-7).

According to Anderson, it is print-language that invents nationalism, not a particular language per se. Once it is invented, nationalism builds a form of politics and culture that generates a horizontally integrated "people". This occurs within the boundaries of the imagined community, which has as its central organizing principle a concept of citizenship detached from immediate human experience.

Both B. Anderson and Gellner, as well as many others working in the field of cultural studies, have shown that what is crucial in the question of culture is the need to think beyond a priori, originary, pre-given or fixed meanings of tradition. B. Anderson has shown very clearly that what is important in the study of culture is the social articulation of cultural traits. On the question of culture, the focus is thus on the moments or processes that are involved and produced in that social articulation. From this perspective, the social articulation of culture becomes a complex, on-going negotiation that seeks to qualify culture as a primary conceptual category with a claim to distinctiveness.

It is true that the nation is real enough to inspire individuals to die for their country, but we must consider the extent to which this imagined solidarity also becomes an ideological device to deny or marginalize various aspects of human experience, or to depoliticize the solidarities that stand between the levels of the individual and nation, such as those shaped in the local community or in common economic

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3 It seems there are missing word(s) in this quotation. Since it is a direct quotation, I did not make any changes in the grammatical structure.
experience. We must also consider the degree to which the solidarity of the people imagined through the ideological power of nationalism is felt through an external frigidity, or an opposition to the others who happened to remain outside of this particular imagined community. Anderson’s work constitutes a powerful analysis of colonial situations. I will expand his analysis to examine non-colonial situations of the Ottoman Empire and Turkey, with respect to the interplay between the competing claims of secular and Islamic conceptions of nationhood. Before proceeding with the Turkish case, I would like to elaborate on how Islam as a faith with universal claim becomes conceived as an ideological category in the practice of national politics.

3.4. Islam and Culture

Islam is a cultural commitment to the recognition of cultural presence, as well as a faith. Discussing Islam in its own right is not my concern. It is the certainty imposed on it or expected by it against which I develop my argument.

Islam does not represent a unified culture outside the complex strategies involved in the practice of politics. As Aziz Al-Azmeh has shown in his book *Islands and Modernities* (1993), the history of Islam and the complexity of the world economy and inter-state relations belie the homogenizing claims of Islamism. Islam is an ideological category in the understanding of politics, society and history, drawing on themes commonly encountered in populist and nationalist ideologies. Islam does not have an essential cultural unity outside history or politics, nor does the East or the West, for that matter!

In his article “East Isn’t East: The Impending End of the Age of Orientalism” published in the *Times Literary Supplement* (1995), E. Said has also pointed out the constructed nature of such conveniently used terms as East and West or Islam and West. He notes that the terms Orient and Occident (East and West) correspond to no stable reality that exists as a “natural” fact. All such designations are an odd combination of the empirical and imaginative. In the case of the Orient as a notion, he writes:

"the idea derives to a great extent from the impulse not simply to describe, but also to dominate and somehow defend against it. This is particularly true with reference to Islam ... The central point in all this, however, as Vico taught us, is that human history is made by human beings. Since the struggle for control over territory is part of that history, so too is the struggle over historical and social meaning. The task for the critical scholar is not to
separate one struggle from another, but to connect them.” (E. Said, 1995: 3).

The struggle over historical and social meaning does not consist of mental exercises but urgent social contests involving such concrete political issues as the character and content of education, the direction of foreign policy, the legitimation of violence and so on. This is what Said calls the interpretative contest. In his book *Covering Islam* (1981), Said also focused on the interpretative contest in the various definitions of Islam. According to him, what appears in the West to be the emergence, return to, or resurgence of Islam is in fact a struggle in Islamic societies over the definition of Islam and/or over the definition of national culture, one which brings urban poor and rural masses into the new writings of history. He takes this point further in his *Culture and Imperialism* (1993) where he argues that cultures and civilizations are so interrelated and interdependent as to deny any unitary or simply delineated description of their individuality. Western civilization, in large measure, is an ideological fiction, implying a sort of detached superiority for a handful of values and ideas, none of which has much meaning outside the history of conquest as one form of interaction. This, however, does not mean to dissipate differences, but to challenge the notion that difference implies a frozen set of opposed essences.

As Esposito has pointed out in *Islam and Politics* (1987), the more immediate question in the rise of the Islamic movement is embedded in an understanding of the ways in which Western economic and political-strategic dominance was established over non-Western Muslim societies, as well as an understanding of what that dominance means for their well-being. Esposito writes that:

“Few Muslims do not covet a better quality of life for themselves and their children. But could this not be achieved, many asked with increasing resonance, through means other than blind emulation of Western norms? That question has been fundamental to Muslim attempts at reform throughout the past two centuries. Some prominent thinkers among them have insisted that Islam, conceived as it was in the seventh century, lacks the adaptive capacity to meet the requirements of a modern age: others indignantly reject any such contention and assert in equally forceful fashion that Islam can modernize in its own way without compromising its spiritual values. For now, the latter school seems in the ascendancy...” (Esposito, 1987: xi).

In *Islam and the Cultural Accommodation of Social Change* (1991) Tibi sees Islam as a cultural system and argues that cultural patterns within Islam regarding law, language and education retard its capacity to accommodate rapid social change. Therefore, Tibi conceptualizes the politicization of Islam as a defensive cultural response to structural changes in the global political and economic order. Thus, Islam,
in its own right, appears to be irrelevant to modelling plans for change and is applicable at most to personal matters.

On the other hand, Turkish sociologist Keyder (1993a), though refraining from entering into the polemical discussion on the relevance of Islam to social change, sees Islamism, in the case of Turkey, as a pro-modern political position - a quest for an alternative route to “modernization”. Islam is a pro-modern political movement, yet equally anti-western. According to Keyder, this is not a uniquely Islamist position, but also shared by Third-Worldist Left and self-styled “conservative” elements within nationally inclined right wing political parties. What unites these groups is that they all posit an insurmountable difference and otherness for a “Turkish-Islamic” culture. In Keyder’s classification, the pro-modern and pro-western position is represented by the majority of the social democratic party as well as the “liberal” wings of the center-right parties. An anti-modern and anti-western position, represented by what he calls true fundamentalism, appeals to a very small minority in Turkey and does not take an important place in the development of Islamic political ideology. Since the 1980s, and due largely to the weakening of the Left after the military coup of 1980, as well as the realization of a strong Islamist movement, the Left found itself defending closer integration with the West in order to combat the political rise of Islam. Anti-westernization now appears to be left to the Islamist domain. Thus, the main dividing line in Turkish politics is between the pro- and anti-westernization camps, that is between Islamists and others, even though all these political factions are pro-modern.

The question of whether modernization necessarily involves westernization is a troubling question. Though they are analytically distinct, they have been considered largely identical in practice. Whether they need to be so in the future, as Shepard (1987) argues, is perhaps the most important issue for the divergence of Islamist ideologies.

As demonstrated by Keyder (1993a), the compatibility of Islam and modernization itself is not the issue. Most Islamists of varying persuasions would acknowledge the acceptability of Islamic renewal and reform. Here Mawlana Mawdudi’s observation is quite insightful.

“Islam needed in every age and still needs ... groups of men and institutions which could change the course of the times and bring the world round to bow before the authority of the One, Almighty.” (Quoted in Esposito, 1987: 216).
Islam offers both explanations on the human experience and reflects on the organizing framework of that experience, as well as proposals for change. As noted previously, a fixity cannot be attributed to its meaning. Islamists would disagree as to the various meanings of the Western impact on Muslim society and have different views regarding the direction, method and degree of change necessary for rehabilitating an Islamic society. For example, the radical Islamism of Mawlama Mawdudi and Sayyid Qutb (from Egypt) would reject westernization while Islamist modernism of Ali Shariati (of Iran) would accept much that is borrowed from the West (Shepard, 1987). The radical Islamist attitude of M. Mawdudi and S. Qutb, in a secular nation-state, would be like a person who has grown up in a house whose structure he/she does not like, and would like to demolish it and rebuild according to a different plan while using some of the old materials in the process (Shepard, 1987: 317). Radical Islamism would most likely reject the nation-state and nationalism and argue for an Islamic internationalism. An Islamist modernist, on the other hand, would continue to live in the same house though he/she would definitely renovate it to suit his/her liking. As Piscator (1986: chs. 4 and 5) has shown, the Islamist modernist stand in relation to westernization would be a nationalist one, conforming to the idea of the nation-state - with national independence and economic development as its ideological underpinnings.

Islamism takes a variety of ideological forms in its dealings with modernity and westernization. It is impossible to deal with any single nationalist ideology within the confines of Islam, nor would any scholar proceeding along those lines be taken seriously. It is not possible to find any Muslim society which is not completely integrated into the world economy and its political-military power relations. This has been the case for at least two hundred years in the Middle East (Owen, 1981). It would therefore be impossible to find any ideology in these societies which could be explained solely by internal social dynamics, not even Islam.

Why is it, then, that the political movements in a world of increasingly unrestricted flow of capital are taking a specifically Islamic anti-Western form in Muslim societies? I will state once again: Islam does not appear as a unified, fixed, settled conceptual category that would make an Islamic ideology spread spontaneously in Muslim societies. This suggests that Islam, as a cultural-ideological category, cannot be a unified object of analysis. On the other hand, the discussion presented above suggests to me that Islam is
subject to ongoing negotiations and compromises involved in its social articulation. From this perspective, it is possible to see Islam as an ideological-cultural project directed towards forming a “protective counter movement” at the national level against the “disembeddedness” of the economy.

As we know from Polanyi, living in a world organized by disembedded economic and political institutions is a confusing one, to say the least. In Fish Story Alan Sekula finds the conditions of confusion in the transnationalization of the economy. Sekula’s Fish Story is not about Islam, but it goes a considerable distance in explaining why a claim for cultural presence is a compelling one nowadays. He writes:

“Things are more confused now. A scratchy recording of the Norwegian national anthem blares out from a loudspeaker at the Sailor’s Home on the bluff above the channel. The container ship being greeted flies a Bahamian flag of convenience. It was built by Koreans working long hours in the giant shipyards of Ulsan. The underpaid and the understaffed crew could be Salvadoran or Filipino. Only the Captain hears a familiar melody.”
(Quoted in Bhabha, 1994: 8).

Thinking in Polanyian terms, one protective response to such a condition of confusion is to find a way to become recognized as distinct. Islam could provide a cultural wealth toward a nationalist claim for distinctiveness, and become part of re-imagining nationhood.

I offer a reformulation of Islamic politics - one that will locate Islam within the world historical setting. I argue that the rise of Islamic politics could be best studied by thinking of it as a product of interactions between the national space and the larger relations of economic, cultural, and politico-military processes as mediated via domestic political alliances. From this perspective, Islam appears to be a protective response against the transnational organization of the lives of increasingly large numbers of people by disembedded institutions.

However, the question remains: Is Islamic politics really attempting to constitute a national-protective movement in Muslim societies for overcoming the negative effects of the transnationalization of the economy? Is it possible, via an Islamic political project, to conceive a form of national politics which could be part of imagining a new form of democratic citizenship that reaches into the domain sealed off by modern capitalism?

The national level is more complicated in the articulation of an Islamic ideology than can be
represented in terms of the antagonism with Western dominance in the international system, or in relation to the internally dichotomous character of society alone. How, then, can I proceed? What are the processes or moments that are involved and produced in the articulation of Islam as a locally lived culture and a form of protective nationalist ideology? I will explore the interplay between secular and Islamic conceptions of nationhood in Turkey by focusing on these questions.

3.5. Concluding Remarks

What concerns us here is not only how nations are constructed as imagined communities, but also how it is that they are re-imagined. We need to find ways which can help us make sense of the availability of Islam as a nationalist project. What makes the availability of Islam possible in imagining a new sort of solidarity? Its availability could be understood in ways that would consider the extent to which the national solidarity imagined along either secular or Islamic lines also becomes an ideological device for the denial or marginalization of various aspects of human experience. There is the question here of the degree to which this imagining becomes credible as an ideological device to be shared by the common people. That is to say, the possibility for political ascendancy of either nationalism needs to be analyzed in terms of changes in the political and ideological context of the national space. It is also here that we could see the ways in which these variously imagined solidarities exist simultaneously in their differential interaction with the international order via the state, sometimes in opposition and sometimes in solidarity. Behind the emerging capacity of either nationalism are competing claims, and conceptions of nationhood and related power struggles to imagine national community, either as parallel to or distant from those in the West. How do we explain the tension between secular and Islamic politics in imagining a unified conception of nationhood in Turkey as it unfolds simultaneously, sometimes in cooperation and sometimes in opposition to the external world?

The aim of the present work is to explain the relationship between the simultaneous rise of transnationalism in the economy and the politicization of Islam. One possible answer to this coincidence would be something like the following - that Islam as an autonomous cultural and ideological force erupts against transnationalist market forces. In light of the discussion presented so far, I can confidently claim
that neither the various theories of world economy and the state system nor the theories of nationalism and Islam lead us to accept such an answer as a credible one. As we know from our readings of Polanyi’s masterpiece *The Great Transformation*, this kind of explanation cannot hold true once we attempt to define the specificity and historicity of the economy. The economy is an instituted process which cannot be understood as organized separately from larger relations of political, military, and ideological processes. In relation to culture, both Gellner and B. Anderson are very clear that ideology-culture is not an autonomous force in its own right acting against or in support of the economy. In line with Polanyi and Anderson, and with the help of Gramsci, I would suggest that we try to see the relation between the economy, politics and ideology as mutually constitutive dimensions of human experience involved in active politics.

In linking Polanyi’s argument about the institution of the economy and Anderson’s conceptualization of nationhood as an imagined community, the Gramscian concept of hegemony and ideology becomes the most useful heuristic device for examining nationalism as a form of active politics in the making of solidarities. Gramsci is the major source for understanding the competing political projects attached to human experience. Nationalism is a hegemonic articulation of power relations. In his use of the concept of “hegemony”, competing political projects are incorporated within the dominant discourse in a way that a certain “compromise equilibrium” should be formed. This “compromise equilibrium” is the terrain of political struggle (Gramsci, 1971: 161).

Given the preceding theoretical discussion, it is now appropriate to turn to the Ottoman legacy of national culture and the economic development projects which were inherited by the modernizing elite of Turkey. Chapter IV analyzes this legacy by outlining the sources of continuity between the Ottoman Empire and Turkey. This is done by introducing the conditions and trajectories of change from the patrimonial-redistributive arrangements of the Ottoman classical era, during the period when the empire faced Western economic and military challenges before the end of the First World War.
IV. THE DISINTEGRATION OF THE OTTOMAN REDISTRIBUTIVE SYSTEM AND THE
PROTECTIVE MOVEMENTS

This chapter focuses on the conditions and trajectories of change from the long-lived historical
arrangements of the Ottoman Empire. An analysis of change from the classical arrangements of the
Ottoman Empire should reveal the context of continuity between the Ottoman Empire and the Turkish
nation-state while also outlining the sources of ideological tension which Turkey faces in its present history.

The conditions of change were initiated by the development of a "market economy" in the empire
under the economic, political and ideological impact of western capitalism on the Ottoman patrimonial
system. There were three important external economic factors that contributed to the disintegration of the
Ottoman classical system during the seventeenth century. These were: 1- the flow of silver from the
Americas to the empire through Europe; 2- a shift in trade routes from Ottoman lands to new overseas
territories via the Atlantic; and 3- the capitulations. It was after the mid-eighteenth century that the Ottoman
Empire’s integration into the European capitalist market economy began to be institutionalized.
Mechanisms involved in that process were: 1- the Anglo-Ottoman trade convention of 1838; 2- the inflow
of foreign capital in the form of loans; 3- foreign investment. The Ottoman response to the disintegration
process was based on one common theme - to strengthen the state and create an ideology of nationhood.
There were several trajectories of change toward a unified conception of nationhood. These were: 1- an
ideology of Ottoman nationhood around the principle of secularism developed during the Tanzimat era
(1839-1876); 2- the Islamic conception of Ottomanism developed during the Abdulhamit’s reign (1878-
1908); and 3- the Turkish nationalism of the Young Turks (1908-1918). I discuss them by including into
my analysis the great power politics of Europe.

Before I proceed with my discussion of the disintegration process, I would like to review the
Ottoman classical patrimonial-redistributive system. My aim here is not to review the long history of the
Ottoman dynastic tradition. Rather I concentrate on the various strategies that Ottoman rulers developed in
trying to strengthen the central state apparatus.
4.1. The Ottoman Patrimonial-Redistributive System: The Classical Age (1300-1600)

The Ottoman Empire was a cosmopolitan, multi-national and multi-religious empire, which incorporated into its system a vast territory of diverse economic, cultural and religious regions, including the Balkans, Central Europe, the Middle East and North Africa. The Balkan region, rich in agriculture, provided the Ottoman rulers with revenue to continue their military expansion. With the conquest of Syria in 1516, Egypt in 1517 and later Iraq, the Ottomans consolidated their military position in the Mediterranean and the Red Sea region. Ottoman control in these strategic locations blocked direct European access to the East and incorporated the Mediterranean economy into the Ottoman patrimonial system (Wolf, 1982; Braudel, 1979, 1972 and 1973). How were the Ottoman rulers able to establish a powerful state structure over such a vast territory? This is a compelling question, given the fact that the Ottoman political system was based on inequality. Religious distinctions constituted the principal barrier to egalitarianism in the empire.

The Ottomans gave partial autonomy to the Muslim, Christian and Jewish communities and emphasized religious differences between various cultural groups. Through this model - called the “millet system”- the center accommodated religious and regional particularisms (Karpat, 1976: 10; Gibb and Bowen, 1962: 207; Mardin, 1973: 171). There were two main millets: Muslim and non-Muslims. Regardless of language differences, Muslims were considered to constitute one millet. Non-Muslims were divided into separate millets according to their religious affiliations. There were Orthodox, Jewish and Armenian millets. The urban and rural populations of the empire were divided into millet categories. The members of different religious groups lived in separate quarters of the city under the leadership of their own religious leaders; imams, priests and rabbis functioned in their separate wards of the city, carrying out the political responsibility of representing their community before the government (Inalcik, 1994: 150-151).

These religious communities were internally autonomous and self-administered local units. However, they were linked to the central authority via the representation of their religious leaders in the provincial and local administrations. These leaders exercised power locally in the name of and derived from the center. However, the semi-autonomy enjoyed by these millets did not mean equality among the
subjects of the empire. The Muslim and non-Muslim millets were subject to different laws and different officials. For example, non-Muslim millets were denied opportunity of access to the ruling positions in the central bureaucracy unless they converted to Islam. Neither were they allowed to serve in the military, but had to pay an exemption tax. Within the religious/cultural mosaic of the empire, the Muslim millet was dominant. All the members of the ruling class were required to be Muslim, but not necessarily Turkish. Christian or Jewish born non-Muslims had to convert to Islam if they were to be part of the ruling class. This was an important aspect of religious inequality and was clearly implicated in the devshirme system, whereby Muslims made converts to Islam from among the non-Muslims.

The “collection” system was a unique recruitment strategy that was based on the recruitment of Christian boys into ruling positions especially from the Balkans. These Christian boys who were converted to Islam were trained as soldiers for the prestigious Janissary corps, and as administrators and officials for the central and local/provincial governments. They were considered to be members of the Sultan’s dynastic family while the native-born Muslims were for the most part excluded from the privileges of the ruling positions. They obtained high positions of power and wealth, yet their position and wealth could not be inherited by their Muslim-born children (Gibb and Bowen, 1962: 39-199).

This collection system was the bureaucratic-military basis for the consolidation of the central authority. It was developed from the mid-fourteenth century and lasted until the beginning of the eighteenth century. It was a strategy specifically designed to enable sultans to eliminate Anatolian Turkish notables, who had threatened central authority since the thirteenth century (Shaw, 1976: 53-58). Their elimination by the fifteenth century, consolidated the political-military basis of the Sultan’s power and prevented a landed aristocracy from emerging as a counterforce to the Sultan (Ahmad, 1993: 18-20). Consequently, a landed aristocracy did not arise in the empire to constitute an independent economic-political power base. The social position of the bureaucracy formed through the “collection system” prevented any challenges to the established relationship between the central authority and local producers. The Ottoman patrimonial system consisted of independent peasant producers and a Muslim bureaucratic class.

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¹ “Devshirme” means “collection” in Turkish, the term I will use.
Despite the multiplicity of cultural-religious communities in the empire, the legitimating ideology of the Ottoman state structure was Islam (Karpat, 1972, 1974; Mardin, 1962: 97-108). Since the fourteenth century, Sunni Islam became the officially accepted religion of the state (Gunduz, 1983). Religious members of the ruling cadres (known as Ulema) and the Sunni religious orders constituted the backbone of the official Sunni orthodoxy against the political expansion of Shi’a Islam (Gunduz, 1983: 3-147).

The devshirme system allowed religious unity among the members of the ruling class without allowing any linguistic group to be politically dominant. All members of the ruling class were Muslims. Islam justified a hierarchic division between the rulers and the ruled on the basis of a divine rule (Inalcik, 1964 and 1973 Shaw, 1976). The Sultan and the dynasty stood at the head of the Ottoman state. The ruling cadre was primarily composed of the Sultan’s slaves (known as kul) which comprised officers of the court and the military attendants, civil servants, and the Ulema. The ruled consisted of the subject people (known as reaya) - a population which was made up by the rural producers, craftsmen and merchants.

The religious unity in the state organization was, however, not independent of the Sultan's personal authority. There were no permanent institutional arrangements for enforcing Islam against a ruler (Findley, 1982: 158; Gellner, 1983b). Non-Islamic laws, on the other hand, led neither to participatory politics nor to public accountability of politics. Moreover, the state did not engage in achieving an ideology of nationhood through Islam either. Community cultures of various subject people continued to exist independent of the state and constituted the "little" cultures of the imperial system, while the ideological unity between Islam and the state formed the imperial "great" culture of the Sultan and his ruling cadres. There was no unifying ideology of nationhood between the rulers and the masses, nor there was a desire to constitute one.

All members of the ruling class were required to be Muslim. And the Muslim millet was dominant. From time to time the sultans sought to fulfill the provisions of the shariat by issuing laws forbidding non-

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2 Islamic law was never strictly applied. In addition to Islam, non-Islamic laws, known as Orf-I Sultani, were also widely used (Inalcik, 1985; Mardin, 1983; Berkes, 1964). Sultan’s non-Islamic laws (Orf-I Sultani) were concerned with the state regulation of production, distribution, consumption and with the practice of taxation. The particular combination of Islamic and non-Islamic laws was defined by the formula "religion and state", a non-theocratic form of rule.

3 Community cultures were almost invisible in the Sultan’s rule and powerless against the “great” culture of the ruling circles. The tension between the high culture of the ruling cadre and the little cultures of the subjects was the source of an unstable form of integration in the state structure.
Muslims from wearing the same clothes, from owning slaves and so forth, but these kinds of practices were not a rule and were in fact ineffective (Inalcik, 1973: 7). The ruled masses, be they Muslims, Christians, or Jews, were all subjects of the state. But Christian and Jewish communities enjoyed a partial autonomy from the state in their internal affairs. This autonomy was rooted in the simple fact that they needed to be protected as an important source of tax-revenue.

The fundamental principle of the state was to protect its subjects. Ottomans applied the Islamic principles of rule by pursuing a policy implicit in a kind of social contract about what the state was going to deliver to its subjects and, in exchange, what they were to do for the state. There was no separate economic sphere; all economic activity was embedded in the social-military organization of the Ottoman society by the central authority. The Ottoman patrimonial system was a typical case of what Polanyi called the redistributive form of social integration. The central authority organized, administered, and regulated the operation of redistribution. This was captured by the "circle of justice" practice - the backbone of the Islamic principle of justice, whereby the state would provide its subjects with justice and protection while they in turn provided obedience and fiscal resources for sustaining the fiscal requirements of the state (Mardin, 1962: 97-108). This principle allowed millets free exercise of their own religion and the right to live according to their own religious laws.

The major boundary line between communities was religious. The ruled population was classified into separate categories of religious communities, living in their own quarters of towns or villages. Nevertheless, there was no economic boundary lines separating these communities from each other. Muslim and non-Muslim merchants, farmers and craftsmen enjoyed the same rights of their work position. Those who engaged in trade and agriculture, whether Christian, Jew or Muslim, were considered the Sultan's subjects and paid taxes. Only members of the ruling class (men of religion, bureaucrats and their dependents) not engaged in production were exempted from taxes. The Sultan's subjects (reaya), regardless of their religion, were essential as producers and tax payers. In this respect, both Muslim and non-Muslim millets were allotted state lands for farming in the form of timars (fiefs). In the fifteenth and sixteenth centuries, as the proportion of timar-holding cavalry of Turkish-Muslim origin gradually declined, a large

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4 "Timar" refers to the allocation of state lands in the form of military fiefs.
part of this cavalry was composed of native-born Christians (Inalcik, 1994: 114).

These fiefs were the main unit of production, carried out for the subsistence needs of the producers and for the taxation requirements of the state. Household production was the dominant form in agriculture and was carried out within the timar system (Sunar, 1987; Islamoglu-Inan, 1987). The greater part of the land was planted with wheat, barley and other grains (Issawi, 1980: 206). The export of agricultural products, especially grain, was restricted by very high export duties. The strategy was to discourage cereal exports and provide sufficient food for internal consumption (Bailey, 1970: 78-79). The greater part of the products (mostly grains) was consumed on the farm (Sunar, 1987; Islamoglu-Inan, 1987; Issawi, 1980). A commercialized form of production was limited and mediated through taxation in kind (tithe tax) by the rural cavalry in his military fief. This, in turn, supplied the food requirements in the towns (Islamoglu-Inan, 1987: 123-126) as much as it served the rural cavalry’s need to raise cash for the army (Islamoglu and Keyder, 1977: 39-40).

This system of land allocation and production legally prohibited peasants from selling and subdividing land allotted to them for use, even though they had direct access to the land (Inalcik, 1985: 106). The state’s land allocation system was based on the allocation of parcels of conquered lands to those rural cavalry who fulfilled military and administrative functions in the districts (Inalcik, 1994: 104-108). The rural cavalry had claims of ownership neither over the land nor over the direct producing peasants. His role was an intermediary one between the central authority and the peasants: it consisted of collecting taxes in a specified area under his administration for a specified period of time. In turn, the cavalry had to support and deliver during the time of war a specific number of mounted soldiers gathered from among the native-born Muslims (Keyder and Islamoglu, 1977: 38).

Through the timar system the Ottoman army was completely integrated within the agricultural economy. The timar holding cavalry formed the basis of the Ottoman army. In order to establish the timar system and to maintain a continuos and centralized state authority, private property was not allowed

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5 In terms of imports, there was no protective tariff and foreign goods were allowed to enter into the empire freely. Import duties were minimal. This import regime underpinned the growth of merchant capital.

6 Rural cavalry is known as “sipahi” in Turkish.
Theoretically all the land belonged to God and was in the trust of the Sultan. The Sultan had full property rights on arable land and relatively little land was given out in freehold (Mardin, 1973: 172). The timar was an indivisible and unalterable unit. The aim was to integrate peasant economic activity and the Ottoman army while eliminating the possibility of the emergence of active politics in society. Thus, in the Ottoman system no segments of the economy or local community were permitted to be economically dominant and politically powerful (Inalcik, 1964; Karpat, 1982; Mardin, 1973; Keyder and Islamoglu, 1977).

The Ottoman army was split into two separate segments: the Janissary corps and sekban (mercenaries). The Janissary was formed through the recruitment of the Christian-born boys who were converted to Islam through the devşirme system. It constituted the backbone of the Ottoman standing army. Janissaries were Sultan’s men and constituted the military aspect of the central state bureaucracy (Inalcik, 1980: 297). The Sekban, on the other hand, was organized by rural cavalries among the native-born Muslim peasants. The native-born Muslims were excluded from the privileges of the standing army of the Janissaries (Mardin, 1973: 171-172). Rural cavalry recruited mercenaries locally in times of war to then be disbanded at the end of the war (Kasaba, 1988: 16). The primary role of the mercenaries was to work during times of peace on the parcel of land allocated to the rural cavalry.

This system, though based on inequalities, served the Ottoman Empire well for three centuries. The sultans created a domestic political context in which neither the religious communities nor any segments of the economy were allowed to be politically and economically dominant. The heterogeneous nature of the society was maintained while unity among the ruling cadres was achieved through Islam.

What went wrong, then, during the seventeenth century - a period when the central government gradually began to lose control over its territories, ultimately leading to the disintegration of the empire?


The beginning of the end for the Ottoman Empire is found in the break-down of the linkage between the land allocation system and the military organization. The disintegration process was initiated by the development of a new-found market economy in the empire under the economic, political and
ideological impact of western capitalism. There were three important external economic factors which gave way to the decline in the importance of the timar system. These were: 1- the flow of silver from the Americas to the empire through Europe; 2- a shift in trade routes from Ottoman lands to new overseas territories via the Atlantic; and, 3- the capitulations.

The flow of Mexican and Peruvian silver to Europe during the mid-sixteenth century caused huge price increases. Food prices increased sharply in Europe, and as a result, much of Ottoman trade with Europe turned to contraband (Wolf, 1982: 37). Contraband trade in cereals was common especially along the coastal areas and the Aegean Islands, and was carried out mostly by Greek merchants (Gucer, 1964). Not only merchants, but even the state bureaucrats, who held land grants, engaged in the smuggling of agricultural produce (Keyder and Islamoglu, 1977: 44). This resulted in shortages in grain and raw materials which were essential for internal consumption and production. It also contributed to decreasing state revenue from trade. The other aspect of the silver circulation was its inflationary affect on the Ottoman economy. Silver was cheaper in relation to gold which encouraged the import of large amounts of silver. European silver inundated the Ottoman market, and within a short time prices doubled. Fixed income groups such as timar-holding cavalry were suddenly impoverished (Inalcik, 1994: 49). As a result, rather than continuing the very costly duty of raising an army in the timar area, they abandoned their timars. This was one of the reasons why the Ottoman army began to loose its strength.

The decline of Ottoman military and economic power was also affected throughout the sixteenth and early seventeenth centuries by the overseas colonial expansion of European economies. Europeans not only dominated the social and political relations of colonial production through direct political/military rule, but also shifted the direction of their long distance trade (Hall, 1989; Wolf, 1982; Plant, 1987; Berman, 1990; Tomich, 1990). After Vasco de Gama discovered the sea route to India, European trade in the bulk agricultural products and manufactured goods of China and India no longer had to pass through the Ottoman territories (Wolf, 1982; Braudel, 1979: 467-468; Inalcik, 1994: 121-139). With the

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7 Beside taxes collected from production and exports, the transit trade was an important source of revenue for the Ottoman state, and obtained in the form of loans, taxes and custom charges. Therefore, the conquest of rich trading ports was an important strategy. Ottoman state provided the military security of the trade ports within its territories, and granted merchant monopolies, expecting, in turn, an income.
foundation of the East India Company in 1600, for example, the British preferred to buy directly from India, avoiding the custom duties levied in Ottoman ports. The British Levant Company (founded in 1581) placed the entire Levant under its sphere of trade control by the 1840s (Bailey, 1970; Emsley, 1969).

The effect of both the silver flow and the changes in the European trade routes combined was a decline in Ottoman state revenue, gradually leading to the disintegration of the internal economic and political organization of the Ottoman Empire. Instead of developing new strategies to deal with the decline in state revenue, the Sultans kept the traditional economic principles, their main concern being to encourage imports and discourage exports in order to provide for domestic consumption needs. Therefore, the sultans did not see any danger in granting the capitulations to Western European states. Their failure in redesigning a new export regime increased both the contraband trade (which was carried out mostly by non-Muslim subjects of the empire) and also the economic interest differentiation between Muslims and non-Muslims within the empire. A new group of non-Muslim traders and agriculturalists of the Balkans, for example, acquired predominance in Ottoman trade with Europe and cash crop production in the empire (Wallerstein, et al., 1987: 92).

An integral part of all these changes in the empire was the granting of capitulations - namely tariff concessions - to the Europeans. First the French and later the English, as well as central European states began to obtain trade concessions from the Ottoman Empire (Barkan, 1980: 557-607; Inalcik, 1951 and 1994: 136-139). The Ottoman rulers, being concerned more with the creation of abundance of consumer goods in the home market and high custom revenues, considered the capitulations to be beneficial for the empire. At the same time, capitulations were also thought of as a political/diplomatic weapon enabling the empire to play rival European powers off each other. The Sultans granted the French with the capitulations to receive its support against the Venetians during the Ottoman-Venetian wars over the military control of the Mediterranean during the fifteenth and sixteenth centuries and against the Habsburgs over Central Europe during the sixteenth century. The French were first granted capitulations in 1535 by Suleyman the Magnificent. This was followed by others. As a result of the capitulations granted to France in 1569, following the Ottoman-Venetian war of 1570-73, France began to displace Venice in Levant trade. Later in 1580, to counter Russian expansion in the trade route from Iran-Azerbaijan to Hormuz, the English were
granted trade concessions with a low custom rate of 3 per cent\(^8\). The English, with the foundation of the Levant Company, competed fiercely with France and Venice in the Levant.

The capitulations granted to France were later renewed by Mahmut I in 1740, and confirmed by other treaties of 1802, 1808, and 1861. These capitulations had severe consequences. Ottoman sovereignty was highly restricted by these treaties. First, the rights of the citizens of foreign states living and working within the Ottoman Empire were granted the right to be judged according to their own laws, and in the established consular courts. Second, they were granted freedom from Ottoman taxation. Combined, these provisions placed foreigners outside of Ottoman jurisdiction. They were complemented by economic capitulations which eventually placed the bulk of trade in their hands. They also received favourable treatment on custom duties to be levied on goods of foreign origin (Blaisdell, 1929: 24).

In accordance with the first two provisions of the capitulations, which aimed at protecting citizens of foreign states, France began to claim the right to protect Christian subjects of the Ottoman Empire. The 1535 capitulation had originally recognized France as the protector of Ottoman Catholic subjects. During the 18th century Russia was a rival power, claiming the right to protect Ottoman subjects of Greek Orthodox and Russian Orthodox faiths. These powers exerted diplomatic pressures on the Ottoman government over the protection of Ottoman Christians. During the Tanzimat era (1839-1876), the foreign governments resisted the abolition of special community privileges granted to non-Muslim communities during the classical age. In spite of the fact that the principle of “equality before the law” constituted the main thrust of the “reforms”, the Ottoman government was forced to define the rights of its Christian subjects as distinct from those of Muslims. The 1839 reform program (Hatti-Sheriff) was the first example in that direction. The European states attained the right to intervene in Ottoman domestic administration with the Treaty of Paris (1856). In the same year, with the Hatti Humayun of 1856, the Ottoman government was forced to accept the religious privileges of its Christian subjects and undertake a number of reforms to guarantee their security.

In the field of trade, these capitulations opened the Levant markets for the Europeans and enabled

\(^8\) At the time the English were granted a 3 per cent custom duty, the French and other foreigners were paying 5 per cent. In 1673 the French succeeded in having it reduced to 3 per cent (İnalçık, 1994: 138).
them to dominate in the Levant trade. The continuation of the capitulations after the industrial revolution in Europe had disastrous consequences for the Ottoman economy. The effects of the tariff concessions were adverse and far-reaching: 1- they exposed the handicrafts to European competition and hastened its decline (Barkan, 1975); 2- they prevented the Ottoman government from protecting home manufacturing and delayed the development of industry⁹; 3- they facilitated the export of raw materials and foodstuffs¹⁰. This process reached its height with the Anglo-Ottoman Commercial Convention of 1838 - the first most important of all economic concessions granted to the Europeans. The 1838 convention opened the Ottoman Empire to free trade with the European states.

The Anglo-Ottoman Commercial Convention of 1838 marked the triumph of British free trade policy in the Ottoman Empire. The Convention allowed British merchants to purchase goods anywhere in the empire without payment of any taxes or dues other than a very small sum for import or export duty. The Convention imposed only a 3 per cent duty on imports, 12 per cent duty on exports and 3 per cent duty on transit (Issawi, 1980: 74-75). The Other European states also became part of the Convention. Besides increasing import rates, this convention led to the expansion of cash-crop production in the empire which took place mostly in the Balkans. In addition to Egypt, Syria and Western Anatolia, waste and state lands in the Balkans were converted into plantation-like farms by landed genty (ayan), producing cash crops such as cotton. Some hundred villages in the Serez Plain of Macedonia, for example, were divided among several ayans (landed genty) (Inalcik, 1969: 115) with a substantial force of armed guards in their service to keep the labour on the land (Staianovich, 1953: 403). Thus, cotton production for European industry in Macedonia increased. Cotton accounted for two thirds of the value of Austro-German imports, which was produced in Macedonia and Thessaly (Staianovich, 1953: 403).

These changes did not have a negative impact on all the communities of the empire; some communities benefitted while others were disadvantaged. Under the system of freely competing European

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⁹ Cotton production in the empire was the hardest hit. Textiles, especially cotton imports, achieved the highest levels. In 1878-1913 clothing materials accounted for some 25 per cent of all imports (Koymen, 1970: 1-15).

¹⁰ In the 1840s dyestuff exports of the empire had formed a large fraction of exports. After the 1838 Anglo-Ottoman Commercial Convention which opened the Ottoman markets to the British, cotton, silk, tobacco and hazelnuts became the most important export items while raisins, mohair, opium and figs continued to maintain their export importance.
products, Muslim craftsmen, who were the backbone of handicraft production in the Balkans, began to be transformed into unskilled labour (Inalcik, 1987). On the other hand, non-Muslim Ottoman merchants and agriculturalists became dominant in cash-crop production and trade with European business which favoured non-Muslims as their trading partners (Issawi, 1980 and 1982; Staianovich, 1953; Wallerstein, et.al., 1987: 92).

The combined effect of these structural factors was that the state’s military and political order, taxation system and forms of land tenure deteriorated. The classical Ottoman political structure went through two intertwined processes of disintegration: 1- the land allocation system (Timar) collapsed while landed gentry emerged as a new type of entrepreneur class in land reclamation and expansion of plantation like farms; 2- Ottoman military organization, as linked to the traditional organization of economy, collapsed. First, the Timar system was abolished in 1831. In order to generate taxes for maintaining the strength of the army, some of the lands previously allocated as timars were brought under the state treasury and the right to collect their revenue was farmed out (tax-farming) while some land passed to individual private hands. Provincial administrators, urban merchants, local notables and even the janissaries began to operate as land owners in these plantation-like farms (Yalman, 1930: 15). In 1839 tax-farming was also abolished and replaced by direct taxation which had to be paid in cash. Ottoman rulers eventually accepted private ownership of land. With the Land Code of 1858, private land ownership began to take place. Private property rights were extended to the citizens of European states in 1867 (Lewis, 1968: 89-97).

Consequently, the Ottoman state lost its traditional control over land and its revenues. The linkage between the land allocation system and the military organization disintegrated. Under these circumstances, it was no longer possible to maintain the classical redistributive system that had defined the Ottoman social structure for more than four centuries.

Ottoman rulers eventually accepted the predominance of the market principle in the economy, and recognized the subordinate economic status of the empire among the European states. The Ottoman Empire turned into an exporter of raw material and foodstuffs and importer of manufactured goods. There were two important mechanisms in the consolidation of this process: 1- integration into the European finance market via loans, 2- foreign investment in railroads and ports (Keyder, 1987: 37-48). The operation of
these mechanisms was mediated by the Ottoman Public Debt Administration (PDA) - a quasi national financial institution (Blaisdell, 1929).

The Ottoman state accumulated a large foreign debt in the period between 1854 and 1914. The average rate of increase from 1854 to 1870 was 5 million pounds per year (Jaxter, 1871: 71). During the Tanzimat era, 15 loans totalling 220 million British pounds were issued - between 1854 and 1875. From 1860 onwards the inflow of loans increased rapidly, together with the payment difficulties. In the early 1860s the annual service charges were 10 per cent of total government revenues; in the late 1860s this figure was 33 per cent and in 1874, 67 per cent (E. Kiray, 1990: 255). In 1875 the Ottoman government defaulted on foreign debt charges. Following the Decree of Mouharrem (1881), the Ottoman Public Debt Administration (PDA) was established in 1882. The PDA enjoyed considerable control over the Ottoman economy which diminished Ottoman financial sovereignty over its revenues. Even though the PDA was established to manage Ottoman debt, and possibly to decrease it, the inflow of loans greatly increased during the PDA era until the beginning of World War I.

Previous to 1854, the Ottoman governments relied mostly on the revenue extraction mechanisms of the redistributive system; contracting debts from time to time from bankers located in Galata-Istanbul at usurious rates of interest. The immediate reasons for borrowing had always been temporary shortages of revenue and deficit in the state budget (Keyder, 1987: 37). On August 4, 1854, Sultan Abdul Medjid (1839-61)11 received the first international loan of 3 million pounds sterling. The Dent. Palmer, and Company of London and their Paris agents Goldsmidt and Company were the lending agents. The interest rate was six per cent, with one per cent annual amortization, and the issue price was eighty (Blaisdell, 1929: 28). This was followed by another in 1856, and eleven more until 1875 when the Ottoman government

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11 Abdul Medjid's (1839-1861) fancy was with building palaces. Dolma Bahce Palace (Filled-in garden palace) is an example for his extravagant taste. White-marble Baroque Palace of Dolma Bahce stretches 600 metres along the Bosphorus, the two long wings contains 365 rooms extend from the higher middle section of the enormous throne - the largest in the world - in a mixture of Hindu, Turkish and Italian styles. It was furnished and supplied with imported items from Europe. Except carpets on the floors, which were Turkish Hereke made, everything else in the Palace is from Europe. Queen Victoria presented a four and a half ton chandelier. The taste of Victorian era dominates the entire accumulation of furniture, utensils and so forth. The cost of its construction was 2,800,000 pounds sterling. It is not known how much it did cost to furnish the building. An Istanbul banker commented on this spending: "It is monstrous that the finances of a great empire should be ruined by the fantastic desires of a fool, who, already having fifty palaces, wants to construct fifty more" (Quoted in Blaisdell, 1929: 30).
announced its inability to pay interest payments of these loans.

British and French financial companies were the main source for borrowing - with the money channelled from London and Paris money markets through the Ottoman Bank. The foreign-owned Ottoman Bank was established in 1856 by a group of London bankers to operate within the Ottoman Empire. It was reorganized in 1863 by French financiers who became co-owners. The Ottoman Bank was the agent for loans to the Ottoman Treasury. Treasury bonds were issued and exchanged with loans. The Bank was granted the exclusive privilege of issuing notes/bonds against the gold reserve, and kept its dominant position in the Ottoman economy until the entry of the Deutsche Bank in 1888 when the Germans became a rival to French and British financiers (Blaisdell, 1929: 220-221).

The immediate reason for borrowing from international money markets was to supplement the state revenue to be used in the wars against Russia. The 1854-1874 loans were motivated by political-military concerns (Blaisdell, 1929: 40-45). Ottoman territorial integrity was beneficial for economic reasons - the militarily strong Ottoman Empire would provide safe markets for European manufactured goods while it would prevent Russian military advancement to the Mediterranean and Central Asia (Mariot, 1924). In the face of increasing military engagements with Russia and Balkan insurrections, the financial requirements for meeting war expenses grew significantly and could not be met by state revenues. Ottoman domestic capital was in the hands of non-Muslim subjects of the Ottoman Empire and the citizens of foreign states, both of whom received a privileged position in the economy under the capitulations. It was not possible to mobilize their resources to pay the military bill. Since the traditional land allocation system was not in operation, the Sultans were unable to extracting surplus from Muslim small producers. Thus, the Sultans viewed loans as a method of meeting budget deficits. This fit very well with the international anxieties of Britain and France which had military interests in maintaining the territorial integrity of the Ottoman Empire against Russian expansion (Bailey, 1970). The Crimean War with Russia in 1856 was financed by borrowed money. The 1863 loan of 8 million pounds sterling was to be used against the insurrection in Crete.

Despite the fact that both Britain and France had military and economic reasons to lend money, these loans did not come to be used by the Sultans as they wished. Lending was conditional to structural adjustment of the Ottoman economy to the operation of free markets. This conditionality underpinned the
free market principle in the economic reforms of the Tanzimat. The “Report on the Financial Condition of Turkey” written in 1860 by Lord Hobart and Mr. Foster clearly spelled out the conditionality (E. Kiray, 1990). The report classified the problems of the Ottoman economy into short-term and structural aspects. Short term problems were identified as being rooted in excessive monetary growth and budget deficits. Lord Hobart and Mr. Foster argued that, in order to finance budget deficits, the Ottoman government issued paper money, inconvertible currency. This caused an excess demand for consumer goods, created inflationary pressure, resulted in budget deficits, and consequently in the outflow of gold. They recommended that the paper money be withdrawn, and Ottoman currency be adjusted to the international gold standard (E. Kiray, 1990: 255-256). The Ottoman government had been loaned 5 million sterling in 1858 to withdraw paper money from circulation (Blaisdell, 1929: 29), but the government did not do so. In fact, the amount was even increased by heavy issues which in 1861 brought down its value to a quarter of its nominal value (Blaisdell, 1929: 35). After the approval of the Hobart-Foster report on the status of the Ottoman economy in the British Parliament, the British linked lending to the condition of the withdrawal of paper money. The Ottoman government was willing to accept the recommendations of the Report if a loan was issued to withdraw the paper money.

In addition to the withdrawal of paper money from circulation, the Hobart-Foster Report suggested tax reform and cuts in civilian spending. Savings obtained from these measures, the Report argued, needed to be applied to military spending, infrastructural investment and judicial reforms. Tax reform recommendation included the replacement of tax-farming by direct collection. It also recommended some tax increases on tobacco, widening the use of the stamp tax, and conversion of some state lands to freehold. Civilian spending cuts consisted of a reduction in the salaries of higher officials and officers as well as a reduction in the number of lower officials and officers (E. Kiray, 1990: 256).

The long term structural adjustment recommendations of the Report consisted of the liberalization of foreign investment and foreign trade, a reduction in the overall role of the state in the economy, and a shift in the price-making mechanism from state regulation to the market principle (E. Kiray, 1990: 257). These recommendations meant that the Ottoman classical redistributive system would be abolished, to be replaced by the market mechanism. The Ottoman government was willing to accept these conditions as
they were linked to the inflow of loans.

After both the Report and the Ottoman government’s willingness became public, the 1862 loan of 10 million sterling was issued, underwritten by the Ottoman Bank and Devaux and Company of London. Paper money was withdrawn from circulation. This followed the 1863 loan of 8 million issued by the Ottoman Bank to be used against the insurrection in Crete. The 1885 loan of 32.9 million, and other loans, were all negotiated to meet the increased day-to-day expenses created by the Cretan rebellions. These were complemented by Sultan Abdul Aziz’s (1861-1876) desire to increase his navy and modernize the military12 (Blaisdell, 1929: 35-37). Between the period of the 1860 Hobart-Foster Report and the 1875 government default, the Ottoman state borrowed a total of 76.9 million pounds. The largest of these loans was the 1874 loan of 40 million sterling issued by the Ottoman Bank. Most of these loans were negotiated to cover budget deficits and the payment of old loans. In 1874 the Ottoman Treasury was bankrupt, and in 1875 the government defaulted on the charges over its foreign debt. In short, the free market ideology of the Tanzimat resulted in Ottoman bankruptcy.

Between 1875 and 1881, the Ottoman bankruptcy was negotiated among representatives of the private bondholders, European powers and the Ottoman government. Bondholders were pressing their governments to receive official attention and insisted on an official body to administer the Ottoman foreign debt. The bondholders’ pressure resulted in the Decree of Mouharrem (1881), negotiated between their representatives and the government of Pan-Islamic Sultan Abdul Hamit (1876-1908). As a result, the Public Debt Administration (PDA) was established in 1882. The PDA lasted until after the end of the Ottoman Empire and was finally terminated in 1928 after the Lausanne Treaty of July 24, 1923, negotiated between the Republic of Turkey and the allied powers, failed to reach an agreement on the payment of Ottoman debt and the status of the PDA in relation to it.

The PDA marked the crucial turning point in Ottoman history, with the Ottoman state virtually relinquishing part of its economic sovereignty. The PDA was formed to provide greater security for European private investors holding Ottoman bonds than that provided by the Ottoman government. It

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12 Sultan’s mania for building palaces, mosques, barracks, and public buildings were partly responsible for the increased demand for loans. He was in spending mania to meet his extravagant tastes, blind to the financial problems of the state.
functioned to protect the rights of European individual capital groups as an integrated body of European capitalism - distinct from protecting the state interests of Britain, France or Germany.

The PDA provided a degree of stability in the Ottoman Empire's linkage to the European capital groups. To this end, it was granted the right to administer, collect, and hold in deposit certain revenues. After negotiating a reduction of 56 per cent in debt on October 6, 1875, with the Decree of Mouharrem (1881) the Ottoman government ceded certain state revenues to be administered by the PDA for the servicing of the reduced debt. These were: salt and tobacco monopolies, stamp tax, spirits tax, fish tax, silk tithe; the excess of customs revenues arising from an increase in duties; Bulgarian tribute, surplus of Cyprus revenue, the revenue from Eastern Roumelia, and any income from Serbia, Montenegro, Bulgaria and Greece (Blaisdell, 1929: 80-93).

Under the PDA operation, the Ottoman economy underwent a shift toward the market expansion of cash crops. Overall agricultural exports increased 45 per cent between 1879 and 1904. The increase in income from the land tithes in Anatolia for the same period was 79 per cent (Issawi, 1980: 200). Most of these increases were during the period of the PDA. However, the Ottoman economy did not benefit from rapidly expanding foreign trade (Panuk, 1984 and 1987). The revenues resulting from the development of cash crop production were shifted to the European private creditors and investors through the PDA. In the case of silk, in 1885 the Pasteur system of selection of silk worms' eggs for rearing of silk worms was introduced, and an educational institute was established in Bursa in 1888 for free instruction of students in silk rearing. Between 1890 and 1910, some sixty million mulberry trees were planted. The revenue from silk tithe in the regions under the PDA administration increased from L.tqs. 17,000 in 1881-2 to L.tqs. 125,000 in 1906-7, while the value of the silk crop advanced over a million pounds. Combined with other regions, the overall increase in the total value of crop was from L.tqs. 200,000 to L.tqs. 2,765,000 (Quataert, 1987). In tobacco, through forming a monopoly known as the Regie Cointeresse des Tabacs, the exploitation of tobacco revenue was farmed out to the Societe de la Regie Cointerese des Tabacs de l'Empire Ottoman. The PDA was an intermediary to the agreement of 1883 between the promoting banks of this company and the Ottoman government. The concessionaires were the Credit Anstalt of Vienna, the banking House of S. Bleichroder of Berlin and the Ottoman Bank. For the transfer of tobacco tithe, this
Company paid Lqs. 750,000 to the PDA. (Blaisdell, 1929: 111-113).

Soon the functions of the PDA was extended beyond the Decree of Mouharrem: the PDA began to involve itself in the expansion of foreign direct investment in railroad construction. It was an intermediary third party between the Ottoman government, European banks and the railroad companies. The PDA’s function in foreign investment was to collect the tithes assigned by the Ottoman government as pledges for a kilometric guarantee, and to pay the income generated from these tithes directly to the related company. The French and German companies were dominant in railroad construction. The French investment activities were grouped around the Ottoman Bank while German investment was financed by the Deutsche Bank. The PDA was the mechanism around which these rival companies were investing in harmony. The French invested both in Western provinces (Salonika-Monastir in 1892 and Salonika-Istanbul in 1894) and in the Arab Middle East (Smyrna-Cassaba in 1894 and Damascus-Hama in 1897) while the German company was active in Anatolia, linking Europe to Bagdad by a direct rail line through the Istanbul Haidar Pasha-Eskisehir-Ankara line constructed in 1888. The Bagdad line was built in 1903.

Combined, its functions under both the Decree of Mouharrem and railroad construction allowed the PDA to control about one-third of the total public revenue of the Ottoman state (Keyder, 1987: 40). More significant than the percentage of the revenues controlled by the PDA was the fact that the liquid resources of the Ottoman Empire were in its hands. If the Ottoman government tried to increase income from sources not already ceded or pledged to foreign interests, it faced enormous opposition from European states. First of all, the Ottoman government’s right to increase import duties was constrained by capitulations. Second, an increase in income tax or a new stamp law was met with opposition from European powers who claimed exemption for their nationals under the capitulations. And the European states demanded modification in legislation which was claimed harmful to the commercial and financial activities of the non-Muslim subjects of the Ottoman Empire as well as to their own economic interests.

The April 1907 agreement on increasing customs surtax from 8 per cent to 11 per cent illustrates the extent to which Ottoman sources were under the PDA’s control. With the 1907 agreement the PDA’s functions were further expanded to collect customs duties. This differs from the PDA’s previous functions. Originally, its role as an intermediary in railroad constructions and loans was not an officially-sanctioned
one. The PDA was a transnational private organization, representing private capital interests as negotiated bilaterally between the Ottoman government and the non-official representatives of its creditors (Blaisdell, 1929). The relationship between the Ottoman government and the PDA was not directly linked to an international treaty. With the 1907 agreement, however, the PDA was given an international-legal sanction it did not have before. This new status enabled it to act for the commercial interests of the European states. In return, it acquired the full protection of the European powers. The 1907 agreement required changes in the capitulation agreements.

Even though most of the capitulations were due to expire in the 1880s, the Ottoman government was not able to reach an agreement to increase custom duties. The 1907 agreement increased the import duties from 8 per cent to 11 per cent. The 3 per cent difference was to be collected by the PDA - 25 per cent of the increased amount was to be given to the bondholders by the PDA (Blaisdell, 1929: 150-184). With this agreement the right of the Ottoman Empire to collect, administer and hold part of the income generated from custom duties was transferred to the PDA.

The PDA’s control over the collection of part of the customs duties lasted until the First World War when the Young Turks government (CUP) unilaterally abrogated capitulations. In September 1914 they increased customs duties to 15 per cent, 7 per cent of which was levied to the PDA (the difference between the original 8 per cent and the 15 per cent). In October, 1914, PDA agents were withdrawn from customs administration. In May 1915, the government increased customs duties to 30 per cent, and refused to give any share to the PDA13 (Blaisdell, 1929: 172-173). During the same period, the government also suspended the operations of the Ottoman Bank which, under the 1863 charter, was acting as a de facto central bank (Keyder, 1987: 64). With the suspension of the charter, the government regained the power to implement monetary policy and print paper money. During the war years, the government began to

13 After the occupation of Istanbul in October 25, 1919 by the Allied forces, the PDA was reinstated at the customs houses which lasted until after the establishment of the Republic of Turkey in 1923. The PDA was formally terminated in 1928, after the Lausanne Treaty of July 24, 1923 accepted it a private organization. In 1925, the Ottoman debt accumulated during the 1854-1914 period was divided between Turkey and other states which were founded on the former Ottoman territories. Turkey was to pay 67 per cent; Greece was required to pay 11 per cent while the share of Syria and Lebanon was 8 per cent. The remaining 14 per cent was divided between other states formed out of the Ottoman territories. The final payment on the Ottoman debt was made by Turkey in 1954 - exactly a century after the first loan.
establish direct political control over the economy.

Under the rule of the Young Turks, the Tanzimat economic policy of free trade was changed into nationalist state control of the economy. Especially from 1911 onwards, this project involved: 1- the replacement of non-Muslims in commerce and industry by Turkish-speaking Muslims; 2- the encouragement of import substitution of foreign consumption goods.\(^{14}\)

In summary, from the seventeenth century the Ottoman Empire experienced a process of disintegration in its patrimonial redistributive system. This process was externally structured within the complexities of the expansion of European capitalism. The Ottoman Empire was not under the direct political and military control of the European states until the Sevres Treaty of 1920; but it was under the economic domination of European private capital. It lost its sovereignty in resolving the debt problem according to its own priorities, but its creditors did so on their own terms through the PDA. Foreign financial control combined with the military/diplomatic pressures of the inter-state system encouraged the development of a market economy in the empire.

Opening the empire freely to European commerce and capital movements during the Tanzimat era had intensified the economic and cultural differences between the various linguistic/religious communities of the empire. Greek nationalism, for example, had already developed to the extent that Greek-speaking Christian merchants were dissociated from the Ottoman economy and incorporated within the European business interests (Kedourie, 1970). During and after the Greek War of Independence in 1821, tension between the Muslim rulers and non-Muslim subjects took the form of "ethnic" separatist movements (Stephens, 1966; Bailey, 1970; Marriot, 1924; Yapp, 1987). Both the pan-Islamic Ottomanism of Abdulhamit and the Turkish nationalism of the Young Turks developed in response to the European impositions of structural adjustment on the Ottoman redistributive social structure - i.e. to an open market economy. In that opposition, non-Muslims were identified with the external impositions on the Ottoman

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\(^{14}\) As part of this economic policy, the number of commercial companies increased from 86 in 1908 to 236 in 1918 (Z. Toprak, 1982: 57). The state owned 22 of these companies. The share of Turkish-Muslim capital in corporations increased from 3 per cent in 1908 to 38 per cent in 1918 (Kivlicimli, 1965). During World War I, the populations of Greek and Armenian speaking Christians declined drastically, due to departures and ethnic/religious hostilities. Local Muslims appropriated their abandoned land and businesses (Keyder, 1979: 7-8; 1987: 60-61, 80). However, the vast majority of these companies still belonged to non-Muslims (Tezel, 1975: 77 quoted in Mardin, 1980: 35).
Empire, preventing bureaucratic cadres from reconstituting political control over the economy. Non-Muslims of the empire, having both economic and religious ties with external powers, were seen as the collaborators of European economic domination, preventing Ottoman bureaucracy from re-establishing traditional redistributive order contained in the “circle of justice” principle. This was the ideological-cultural motive behind the Islamist and Turkist formulations of Ottoman nationalism.

4.3. The Search for an Ideology of National Unity: The Question of Equality and Homogeneity in Society

The Ottoman response to disintegration was to “modernize” the state. This meant the transformation of the state structure into a rational bureaucratic state (Findley, 1980) on the one hand, and the creation of an ideology of nationhood on the other (Kushner, 1977; Davison, 1977; Karpat, 1982). The Ottoman modernization project aimed at creating a basis for equality among the Muslim, Christian and Jewish communities of the empire.

The question of equality was, in fact, forced on the empire in several ways. First, Christians raised frequent complaints about the lack of equality. Second, they found several great powers, within great power politics, who would readily serve their interests and concerns by making demands on the Ottoman sultans (Palmer, 1992).

In the remainder of the chapter I will discuss the externally imposed project of Ottoman nationhood and its contradictions. This project led to a contradiction in the sense that the economic and cultural differences between various Muslim and non-Muslim communities were further intensified against the creation of an Ottoman nation. This was externally impacted by the changing relations of the great powers in their effort to expand their sphere of military and political influence into the Ottoman territories. The following analysis centers on the separate yet contingent conjunction of economic and military/diplomatic relations of the great powers, which divided the Ottoman Empire into multiple territorially circumscribed states under their particular sphere of political influence.

4.3.1. Tanzimat Reforms and the Creation of Ottoman Nationhood: 1839-1876
The intention of the Tanzimat Reforms was to prevent the empire from economic decline and disintegration. They were designed to change the political structure from a patrimonial empire to that of a rational bureaucratic state (Findley, 1980; Inalcik, 1973; Davison, 1963: 46-48). The Tanzimat (or Charter of Regulations) was designed as a method for making the central government more efficient and interventionist in its dealings with the provincial governors and ayans (landed gentry). One of the most important aims of the Charter was to increase state revenues through a centralized state revenue and budget system under the Central Treasury; additional reforms included the formal recognition of security of life, honour and property.

The most novel aspect of the Tanzimat is its official granting of equal status and rights to non-Muslim subjects of the Empire. This was adopted in order to prevent separatist movements among Christians, and to establish a direct link between the state and the people via a secular concept of citizenship. This was to be an Ottoman nation in which citizens would benefit from identical civil rights, automatically conferred by citizenship and not dependent on religious affiliation (Mardin, 1962; Davison, 1963; Findley, 1982). Theoretically, this would also mean the dissolution of the Ottoman classical millet system. Equality before the law among all Ottomans became the official policy of the Tanzimat era. This policy covered the areas of educational opportunity, appointments to government posts, and the administration of justice, as well as matters regarding taxation and the military (Davison, 1993: 64; Yapp, 1987: 111). The intention was to level out and depoliticize cultural-religious differences and thereby constitute a secular principle of citizenship, thereby achieving a unified Ottoman nation, unbroken by religious community boundaries on a purely territorial basis.

The reforms of the Tanzimat era (1839-1876) were used primarily as weapons of diplomacy in times of international diplomatic crises. The reformers were trying to avoid foreign intervention by proclaiming that the empire was already reforming itself\(^\text{15}\). However, large parts of the Tanzimat reforms, the Hatt-I Humayun in particular, were dictated by British, French and Austrian diplomats. The competing Great Powers favoured the maintenance of a strong empire for two reasons: 1- a stable government in

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\(^{15}\) For example, the Hatt-I Humayun of 1856, which reaffirmed the 1839 Charter of Regulation by asserting the full equality of Muslims and non-Muslims in the empire, was an attempt to prevent foreign supervision of reforms.
Istanbul would extend trade concessions (Owen, 1969; Bailey, 1970); and, 2- the disintegration of the empire would bring about unpredictable consequences for Great Power politics, in relation to the future revision of the map of Europe (Urquhart, 1883).

The most important question here concerned the potential impact on the Great Powers of the territorial division of the Balkan communities. The diplomatic pressure imposed by the British ambassador, Lord Stratford de Redcliffe, was paramount in designing the reforms (Palmer, 1992). The British aim was to prevent Russian influence from increasing in the Balkans16. Russia appeared to be the protector of Russian Orthodox faith in the empire, encouraging the separatist movements of the Slavic-speaking Orthodoxs in the Balkans (Bailey, 1970; Marriot, 1924).

Tanzimat reforms were undertaken to strengthen the central authority of the Ottoman government against the background of the Greek War of Independence and the Serbian uprisings which occurred during this period17. The goal was to curb growing Russian involvement in Balkan politics.

Tanzimat reforms provided, for the first time, a liberal critique of the Ottoman patrimonial system. However, the reforms were bound to lead to a contradiction, and the program of equality between Muslims and non-Muslims remained largely unrealized. On the one hand, the secularizing elite had no way of legitimizing these reforms (Davison, 1963: 238-250; Findley, 1982: 166). On the other hand, many of the Christian subjects of the empire wanted these reforms of equality to fail. They were not interested in equality but separation, although specific boundaries were not defined. Thus, the Balkan uprisings, for example, were all about constant redivision of the Ottoman territories among rebel Christian communities.

16 Ottoman military power had already been weakened by Russia during the Ottoman-Russian wars of 1768-74, 1787-92, 1806, 1809-12, 1828-9 and 1854-6. And Russia had made important military advances against the empire.

17 The Russian advance in the Balkans, including the Russian capture of Edirne (Adrianople) only 150 miles away from Ottoman capital, Istanbul, during the Ottoman-Russian war of 1828-1829 intensified the Greek and Serbian demands for independence, although their boundaries were not defined. At the Treaty of Adrianople in 1829 Russia secured concessions for Serbian autonomy, although an Ottoman garrison remained in Belgrade. Milos Obrenovic was appointed as hereditary Prince of Serbia by the Ottoman Sultan, Sultan Mahmut II. The following year in 1830, the London Protocol set up a sovereign Greek kingdom guaranteed by Russia, Great Britain and France as Protecting Powers. The new kingdom of Greece was small. Most of modern Greece were within the Ottoman territories which ran just 130 miles north of Athens (Palmer, 1992: 99-100). Even though Greece became independent and Serbia obtained autonomy, their territories were not defined. No one knew where the so-called “natural” territories would be for Greece and Serbia. The Greek and Serbian uprisings of the later period were directed toward the self-proclaimed territories of Greece and Serbia.
The uprisings in Crete and other parts of the empire among the Greek-Speaking Orthodox Christians in 1862, for example, were not about achieving equality but about realizing union with Greece and demanding the extension of Greek rule to Macedonia and Thessaly. The Christian communities of Greek and Slavic-speakers were not even interested in a kind of federal equality with the empire.

The equality project of the reforms led to unrest and large scale uprisings among non-Muslim subjects of the Empire (Inalcik, 1973: 98-127; Mardin, 1962: 16-17). The principle of equal taxation and the abolition of all community privileges and exemptions (such as serving in the military) were strongly objected to by non-Muslims. This was because, for the first time, non-Muslims would have to pay considerably higher taxes. In Bulgaria, for example, rich Christians, involved in cash crop production for the European markets, would be paying taxes in proportion to their financial means and business profits whereas before the Tanzimat reforms they had paid taxes equivalent to those of the poor peasants (Inalcik, 1973).

The Tanzimat reforms did not succeed in achieving unity among the culturally and religiously diverse peoples of the empire. Many of the Ottoman regulations of the classical age which promoted economic self-subsistence for the communities now became an obstacle to unification. The major obstacle toward the realization of equality consisted of the elimination of special community privileges granted to non-Muslim communities during the classical age. The paradox here was how to grant both equal rights of citizenship and yet maintain special community privileges at the same time (Mardin, 1962: 14-15).

The very essence of the classical Ottoman state structure was undermined by the paradoxical nature of Tanzimat reforms. The millet system had traditionally sustained the central government, with the Sultans dominating vast territories through the intermediary of local communities. Once the principle of equality and unity was imposed, the central government’s ability to rule through local communities was threatened. The irony of the Tanzimat was that while strengthening the central authority, it also undermined the most important feature of the system - the millet system.

Uprisings became commonplace in the empire. Muslims were also revolting against the reforms and Islam became the ideological weapon of opposition. It perceived these shifts in the state structure as the penetration of alien-western influences (Islamoglu-Inan, 1987). This perception was rooted in the
deteriorating material conditions of the Muslims which, in fact, became a reality especially after the Anglo-Ottoman Commercial Convention of 1838 (Issawi, 1980; Koymen, 1970). At the same time, Muslims, including the reforming elite, began to resent the fact that the reforms were dictated by foreign governments. There was continuous interference by the great powers of Europe, in the name of protecting Christians. Moreover, never-ending Christian rebellions, despite the reforms, angered the Muslims and encouraged the rise of Muslim opposition against the reforms.

Intense Islamic opposition to the reforms came during times of recurrent crisis, particularly in the 1870s, when Christians were rebelling against the Ottoman state and the external pressure on the government was increasing dramatically. The most important events of the period were the dispute over privileges in the Holy Places (1860), the revolts of the Greek-speaking community in Crete (1857, 1866-8, 1879 and 1889), and the Serbian and Montenegrin war against the Ottoman state - followed by the uprisings in Bosnia, Herzegovina and Bulgaria (1875-78).

The internal crisis of the 1870s, comprised of general uprising in the Balkans, clearly showed that

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18 For example, France was involved in the internal problems of Lebanon during the 1860s. It provided rebels with some 40,000 guns to be used in a general uprising while it increased its pressure on the Ottoman government (Inalcı, 1973: 120). As a result of French pressure, the government appointed a Christian as the governor of Lebanon (Mardin, 1962: 16-17). This angered the Muslims of Lebanon and contributed further to the internal chaos.

19 The Holy Places dispute of 1850 was about the rivalry between France and Russia over the defence of Roman Catholics and Orthodox Christians in Jerusalem, Nazareth and Bethlehem. France was asserting French interests to defend the privileges of Roman Catholics, complaining that the Orthodox Greeks, protected by Russia, were excluding them from the Holy Places in Palestine. In order to put pressure on the Ottoman government about reasserting the privileges of the Orthodox Christian, Russia occupied the Danubian Principalities of the Ottoman Empire in 1848. The Ottoman response was to open a war against Russia.

20 The most serious unrest in Crete came in 1896 when the great powers forced the Sultan to grant autonomy to Crete. They warned the Sultan that there would be great unrest throughout Thessaly, Epirus and Macedonia and, consequently, the European powers would impose a new order on the Ottoman lands. The Sultan accepted a program of reform in Crete: Crete would have a Christian governor and a General Assembly with broadly autonomous powers. This concession, however, gave way to the Greek annexation of Crete in 1897 (Palmer, 1992: 175-188).

21 By 1860 Serbia was already virtually lost. But, especially after the Ottoman withdrawal from Belgrade in 1867, Ottoman relations with the Serbs remained strained: the Serbian Principality was encouraging the Serbs in Bosnia and Herzegovina and the Southern Slavs of Bulgaria and Montenegro to rebel. Their resentment over taxation fed by intensive Pan-Slav propaganda led to wider rebellion in the region in 1875-6. As a result of the constancy in these rebellions which found support from Russia, Russia waged another war on the empire. The 1877-8 Ottoman-Russian war resulted in the 1878 San Stefano Treaty. With the San Stefano Treaty, and later Berlin Treaty of the same year, both Montenegro and Serbia enlarged their territories, Romanian independence was confirmed and a "big Bulgaria" was created as an autonomous principality under the sovereignty of the Ottoman state. Bosnia and Herzegovina remained Ottoman provinces but were to be temporarily administered by the Austro-Hungarian empire. (Palmer, 1992: 104-174).
the Tanzimat reforms failed to unify the religiously and culturally diverse peoples of the empire. What failed, in fact, was the idea of embedding “citizenship” within nationhood - unconnected from religious affiliation.

A small group of intellectuals known as the Young Ottomans came up with a “solution”. According to them, the failure of the Tanzimat had nothing to do with the idea of creating Ottoman nationhood, but was a result of the special concessions given to the Christians - in response to the diplomatic/military pressures exerted by the great powers and domestic rebellion. These had contradicted the very concept of nationhood. The Young Ottomans believed that the resolution of this contradiction could be achieved by strengthening state-citizenship ties through Islamic legitimation. The ideology of nationhood was to be Islam, which the Young Ottomans thought of as progressive enough to accommodate the new institutions from Europe.

4.3.2. The Young Ottomans: Islam as the Ideology of Nationhood.

The Young Ottomans represented a more deeply felt patriotism - a devotion to Ottomanism (Mardin, 1962). Their intense patriotism was rooted in such concepts as liberty and the motherland. These concepts were meant to provide a basis for the equal cooperation of peoples of all religions to save the empire from break-up. However, they were strongly opposed to special concessions for the Christians. The unifying theme among the Young Ottoman intellectuals was reform for Ottomans, by Ottomans, and along Islamic lines - though they thought of themselves as westernizers, following the political lead of Western Europe (Mardin, 1962; Tunaya, 1952: 94).

The Young Ottomans hoped to develop an identity of nationhood in the form of Ottomanism which would be achieved through a synthesis of European political institutions and Islamic political theory (Mardin, 1962; Inalcik, 1964). They planned to restore state authority by constitutional rule and create an ideology of unity under Islam. With this synthesis what they had in mind was the promotion of loyalty and obedience among subjects to the state, but not to develop a theory of resistance and political opposition, despite the fact that non-Muslims for the most part continued in their desire to establish a separate national-state of their own. Their goal was to turn the Islamic theory of responsible governing into a western theory
of representation through a constitutional government. However, this was a difficult task to accomplish because of the absence of a workable theory of opposition and a clear distinction between the state and the individual as well as the local community.

Under Sultan Abdulhamit (1878-1908) and following the abandonment of constitutional rule\(^\text{22}\), Islam was reintroduced to the ideology of Ottoman nationhood, and Pan-Islamism was institutionalized. As part of his Pan-Islamist policy, the Naqshbandi tariqa\(^\text{23}\) (and other Sufi orders in general) received the Sultan’s patronage. was re-organized by the state, and was itself instrumental in organizing the popular basis of Islamic-Ottomanism (Gunduz, 1983; Algar, 1983; Mardin 1991). This Sufi order (the Naqshbandi tariqa) demanded the restoration of the Shari’a and the Sultan’s authority in the name of Islamic solidarity against an aggressive Christian world. However, the order did not necessarily oppose the constitutional regime.

During and after the Pan-Islamist era of the Sultan Abdulhamit, the Naqshbandi order began to be one of the most important political factions in the Ottoman political structure as it underpinned the official nature of Islam (Gunduz, 1983; Mardin, 1991; Sapolyo, 1964). Here the strategy was to link the Naqshbandi order to the Ulema, state educational system and the army (Gunduz, 1983). In addition to its linkage to the state, the Naqshbandi order was also utilized in the political mobilization of Muslims in the empire, in a way that Pan-Islamism developed as a political movement based exclusively on the mobilization of the order (Tahrali, n.d; Gunduz, 1983; Bozdag, n.d). In that effort, the Naqshbandi activities consisted of (especially after the declaration of the Constitution in 1878) not only the informal religious activity on a community level, but also the use of print media. Naqshbandi journals began to be published and were circulated to a wider population. Its Sheikh, Gumushanevi, himself published his book Cami’ul-Usul (Gunduz, 1983: 184). Among the journals are Cerede-I Sufiyye, Tasavvuf, Muhibban.

\(^{22}\) Sultan Abdulhamit initiated constitutionalism in 1877. When Abdulhamit abolished the Constitution within the first year of its application, however, the liberal Young Ottomans demonstrated that they were in fact more nationalist than liberal as they condoned Sultan’s abandonment of the constitutional government. Sultan Abdulhamit was not troubled by any organized movement against himself and his policies during his 30 years of autocratic ruling.

\(^{23}\) The development of the Naqshbandi order has been a constant force since the fifteenth century, but it has never taken on “national” or regional characteristics. From its inception, the Naqshbandi order developed as one of the most powerfully organized transnational religious Sufi orders in the Muslim world.
Hikmet, Mirsad and Mihrab. Tasavvuf magazine founded the association Cem’iyet-I Sufiyye with the intent of publishing books, building a library, and organizing conferences (Kara, 1979: 17-20). Similarly, the Gumushanevi convent (tekke) built 4 libraries, bought a printing machine, and distributed its own published books free of charge to the general Muslim public (Gunduz, 1983: 190).

The political role played by the order was a direct result of a successful organizational strategy developed over its long political life. The Naqshbandi strategy was to organize small community-based networks based on personal relations and to link them into a centrally organized structure. This organizational strategy defined the ways in which knowledge was to be acquired for the mobilization of Muslims - defined as the pursuit of self purification, to be achieved through absolute conformity with the teachings of the sheikh. There are three sources of knowledge: 1- book knowledge, 2- the use of memory and 3- the practice of Rabita. Once the link between the sheikh and the follower is established organizationally, a chain of linkages producing a Naqshbandi network of information flow begins to evolve. It is this system of interpersonal linkages which sets the organizational strategy for the Naqshbandi and underpins its political success. In addition to its traditional organizational strategy, the Naqshbandi tariqa was also successful in utilizing the print media techniques of “modernity” already introduced into the Ottoman Empire by the reforming political elite.

Abdulhamit’s Islamist attempt to develop an Islamic ideology of Ottoman nationhood had implied Ottoman unity despite the multiplicity of religious/cultural groups in the empire. In the face of a strong Islamic attitude, the realization of Ottoman unity and equality within the heterogeneous empire between Muslims and non-Muslims faced enormous difficulties. The difficulty with Abdulhamit’s “solution” was that the real material conflict of interest had already been intensified among these groups. The Christians of the empire continued to push toward separatism. Competing nationalisms again crowded out the concept of Ottomanism. Not only Christians but also Muslims were searching for a nationhood of their own. It was

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24 Rabita means an absolute conformity to the thought of the leader (shaykh) of the order. It literally means linking the heart of the follower to the heart of the leader.

25 One of the reasons for the rise of Muslim Arab nationalism in the empire is related to the growth in Jewish immigration to Palestine since the 1880s, which ran counter to Abdulhamit’s determination to achieve Islamic unity and integrate Arab lands more closely to the Turkish Muslim lands. In Palestine the Jewish population increased from a mere 24,000 in 1880 to 49,000 in 1903 and 90,000 by the outbreak of the First World War. The cause of large scale
within the context of recognizing the futility of Ottomanism that a group of intellectuals, known as the Young Turks, developed what they believed to be a solution. It consisted of the advancement of a rival ideology of Turkish nationalism - one which accepted the futility of Ottomanism. The Young Turk solution was thus a "Turkist" answer to the question of nationhood.

4.3.3. The Young Turks: Turkism and the Creation of a Nation

The Young Turks' ambition was to create a new civil-military bureaucratic elite in opposition to the more traditional faction of the ruling bureaucracy. Therefore, they argued strongly for the restoration of the constitution, in opposition to the Sultan's absolutism. Their political agenda was framed by an increase in the power and efficiency of the central government via various military and administrative reforms (Aksin, 1980; Mardin, 1981).

Following the political lead of the Tanzimat reformers, they also wanted to create Ottoman nationhood in the remaining territories of the empire (Mardin, 1983: 219-223; 1983b: 96-101; 1973: 172-174; Keyder, 1979: 4; 1987: 5). The question, then, is why they began to advocate Turkish nationalism. The answer lies in the fact that the development of a constitutional monarchy was hampered by a succession of foreign crises.

The Austro-Hungarian Empire was alarmed by the news that the Young Turks forced the Sultan Abdulhamit to reinstate the constitution in 1908. The restoration of constitutional parliamentarism meant that the delegates from Bosnia and Herzegovina, who were under the protection of the Austro-Hungarian Empire since 1878, would be represented in the Ottoman parliament. Bosnia and Herzegovina would also possibly be reintegrated into the Ottoman state. The same possibility also arose for the autonomous principalities of the Balkans such as Bulgaria. That is to say, the restoration of the constitutional regime raised questions about the clarification of the limits of Ottoman rule in the Balkans. Consequently, on

Jewish immigration to Palestine was the growth in anti-Semitism in both Central Europe and Russia. The Ottoman government's fear was that the Jewish settlers could provoke chronic conflict with the Arabs. The Sultan Abdulhamit, therefore, rejected T. Herzl's (who formally established Zionism) demand for establishing a publicly and legally assured home for the Jews in Palestine. Despite the Sultan’s rejection of the idea, Germany, for example, continued to support the settlement efforts of the German Jewish organizations in Palestine. In opposition to the beginning of the Jewish settlement in Palestine, Muslim Arabs began to attack the pioneer Jewish agricultural settlements between Jaffa and Jerusalem as early as 1886 (Palmer, 1992: 193-195).
September 5, 1908, Bulgaria declared its independence from the Ottoman Empire. The next day the Austria-Hungarian Empire announced the annexation of Bosnia and Herzegovina. On the same day, Crete announced its decision to unite with Greece. By 1911 the empire was at war in Libya against Italy, abandoning it to Italy when they faced attack by the coalition of Balkan states in October of 1912. The Balkan wars of 1912-13 were disastrous for the empire. The Ottoman army lost virtually all of its European territories.

Within the context of these territorial losses, the Young Turks were certain about the futility of Ottomanism. As far as the validity of the Ottomanist project was concerned, according to the Naqshbandi religious order, the reality was that the coming of a constitutional regime coincided with the resumption of territorial losses, after many long years of Abdulhamit’s diplomatic success in resisting the loss of any territory. These territorial losses spurred the Naqshbandi order into revolts, which were organized during the constitutional regime of the Young Turks (1908-1918) (van Bruinessen, 1992a: 90-97). They demanded the restoration of the Sultan’s absolute authority in the name of Islamic solidarity and declared a “jihad” (sacred struggle/war) against the aggressive Christian world. Among these revolts were the Kor Ali revolt of October 1908 (Aksin, 1980: 91-93) and the Dervis Mehmet revolt of April 13, 1909, known in Turkish history as the 31 March Incident.

Naqshbandi opposition to the Young Turks was not based solely on their opposition to the constitutional regime, but also rested on the abandonment of Islamic Ottomanism as well. Against a background of international pressures which overrode any attempt at achieving Ottomanism, the Young Turks began to formulate a competing concept of Turkish nationalism (Behar, 1992: 60-85; Berkes, 1959; Turkone, 1991; Albayrak, 1991: 37-82). They “discovered” the existence of a Turkish nation within the Ottoman empire on the basis of language, history, and racial origin. This represented a radical discontinuity from the previous Ottoman nationalism of Tanzimat and Abdulhamit which had either refused the writing of a “national” history or never defined the “national” history as Turkish-Ottoman history (Yinanc, 1969).

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26 In spite of these revolts against the regime, the Naqshbandi order did not as a whole oppose the constitutional regime. Most influential Naqshbandi leaders argued for Ottomanism. Among these leaders was Said Nursi. Said Nursi was an Ottomanist and understood nation as an Islamic-cultural unity of various ethnic communities of Muslims within the territorial boundaries of the state. For his ideas on Ottomanism see the collection of his writings in the İctima-i Receteler (Social Prescriptions), reprinted in 1990.
During the Young Turk era, there were many attempts to write a history of the Turks for the purpose of creating a nationalist mythology. One of them was undertaken by the Hungarian anthropologist Vambery (1852-1913) and another by Ottoman Mustafa Celaleddin Pasha of Polish origin. These writers were interested mostly in the origin of the Turks before Islam, and they claimed that the Turks, on the basis of their presumed racial characteristics, were part of the larger race of “Turan” which comprised Fins, Hungarians and the Turks of Central Asia and the Caucasus (Behar, 1992: 64-65). These works were about “discovering” a Turkish nation with a claim of homogeneity in language and race of origin. The ultimate goal was to create a homogeneous Turkish state by firmly connecting people, who were presumed to be culturally unified, to the state.

The “Turkist” solution of the Young Turks crowded out the concept of Ottomanism. In the end, the Tanzimat ideal of attaining equality while maintaining the religious heterogeneity of the empire was totally abandoned. Consequently, out of the multiplicity of various cultural/religious communities within the empire, there emerged competing national states with a claim for cultural homogeneity within their territories. The end of the First World War and the ensuing peace settlement determined the post-Ottoman map of the Balkans as well as the Middle East, regarding the respective territories of these newly emerging states - all contingent upon the great power politics of Europe in expanding their sphere of strategic influence over the Ottoman territories.

4.4. Conclusion

I have argued in the first section of this chapter that the classical Ottoman ruling strategies were not developed in order to realize an overarching national unity over vast territories of diverse cultures under

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27 Among these intellectuals was sociologist Ziya Gokalp. Gokalp was considered by many as the father of the ideology of Turkish nationalism. Gokalp developed an ideology called “Turkism”. Turkism was an attempt to synthesize westernization, Islamism and Turkism with an overemphasis on nationalism (Atasoy, 1985). He understood nation as an ethnic cultural category unified by a common language and religion (Gokalp, trans. by Berkes, 1959: 72-74, 284-285). Gokalp opposed Islamic nationalism for it included Muslims of other ethnic-linguistic categories. Gokalp’s aim was to Turkify Islam and make religion one component of a linguistic culture. He expressed this as follows: “Our national ideal will be to reach Turkishness” in every aspect of culture including religion (Gokalp, tran. by Berkes, 1959: 103).
Ottoman sovereignty. In spite of the absence of a unifying ideology, the Ottoman Empire was successful in creating an integrated economic-military and administrative political structure. The Ottoman rulers, however, held no claims on an egalitarian vision of society. That is to say, the multiplicity of religious/cultural groups coexisted for more than three centuries without a unitary theory of society.

Confronted with the disintegration process (a process which intensified the differences between these various communities within the empire), Ottoman rulers viewed cultural-religious pluralism as incompatible with an integrated notion of society. I have argued that this logical inference was what shaped the ideological search by the Ottoman reforming elite. The disintegration process was caused by a combination of economic and political-military factors, and mediated through the capitulationary trade agreements and the inflow of capital in the form of loans. Great power rivalries over the Ottoman territories intensified the cultural divisions within the empire. The successive Ottoman reform movements culminated in the search for an ideology of unity, and took various forms such as a secular concept of Ottomanism, Islamism and Turkism. The Ottoman reformers attempted to impose uniformity as a way of levelling out cultural differences.

The interaction between the conditions of disintegration and the Ottoman responses to them produced the long lasting historical legacy of a search for an ideology of national unity - one which Turkey inherited from the Ottoman Empire. There are two ideological tendencies constructed in that interaction. A policy choice between a market-oriented economic model shaped during the Tanzimat era, and a state-protectionist model developed by the Young Turk government. These constitute the economic dimensions of the ideological conflict. The alternating secular and Islamic conceptions of national culture result from the cultural dimension of this conflict. Chapter 5 focuses on this legacy in the period between 1918 and 1945.
This chapter traces the construction and implementation of an ideology of nationhood in Turkey. I will introduce the elements of ambiguity and indeterminacy in the creation of the "Turkish" nation, and discuss the foundation of the "nation-state" as a project of state legitimation. The argument is that we cannot define nations by reference to a spoken language, religious faith or race. Nations must be defined by mass political citizenship within state territorial boundaries. Nations have no "natural" existence with an inherent "right" to their own separate state. As I have argued in relation to the redistributive social arrangements of the Ottoman Empire, prior to the eighteenth century language and religion were aspects of locally-lived community culture, and not means for providing state membership. Wars which ended with the demise of the Ottoman Empire were not fought between genealogically different groups; they were conducted between states, pushing territory and myths of historical existence into the definition of nation. War and diplomacy were crucial in the attempts of rulers to connect the "people" to the state.

Thus, in this chapter I discuss the military and geo-strategic relations between 1918 and 1925 as they are connected to the determination of the "national" territorial boundaries. In particular, I briefly review the Lausanne Treaty of 24 July 1923, and then analyze the military-strategic context of international rivalries over the Mosul oil fields which finalized Turkey’s border with Iraq. Emphasis is given to the rise of Kurdish-Islamic revolts and international Mosul oil politics is also discussed. They are reviewed separately, then, merged into a full account describing how the Kemalist nation-state project was constructed. The competing claims and conceptions of nationhood are analyzed according to variety of strategies adopted by competing elites, and their elimination by the ruling party of M. Kemal. Throughout the 1930s and up until 1945, the nation was consolidated along Kemalist lines. I will be arguing that the formation of nationhood can only be understood in relation to the political and ideological context of a national space in which competing claims and conceptions, and related power struggles take place. My argument is about the construction of nationhood, as opposed to the "discovery" of some pre-given features of culture. I will consider the ways in which national political space has been defined and the manner in which the national form of politics developed, all within the wider context of the international politics of
5.1. From Empire to Nation: 1918-1923

In 1918, at the close of World War I, the Ottoman Empire lost most of its European, North African and Middle Eastern provinces. However, rivalries among the victors continued over how to divide the remaining and former Ottoman territories. Both Britain and France had acquired a military position to dictate a war settlement; but conflict between them did not cease. The end of the war did not result in stability in the inter-state system, as it took some time for the victors to impose a war settlement on Ottoman rulers. The French aim was to restrain the spread of British influence in the Middle East and in Anatolia, while Italy was very interested in the coastal areas of southern Anatolia. When the British supported Greek military expansion and the occupation of Western Anatolia in May 1919, France reluctantly agreed.

Control over oil resources in the Middle East was the primary concern for these competing powers (Venn, 1986). The difficulty in reaching an agreement was centered around the division of the Middle East into territorially bound states. This task required that various religious-linguistic communities, tribes or freely floating religious sects be confined by spatial bonds (Bozeman, 1971: 50-85). Even though both France and Britain negotiated and agreed on a plan for the partition of the Ottoman Middle East as early as May 1916, there was no clear agreement about how to do it in the immediate aftermath of the war. The May 1916 agreement was the Sykes-Picot Agreement, named after its negotiators - a former French consul-general in Beirut, Francois Georges-Picot, and British Colonel Sir Mark Sykes. It envisaged the creation of two Arab states, one under French protection around Damascus, from north of Beirut to south of Tyre, and another under British protection from Bagdad to Aqaba, while Palestine would become the joint responsibility of France and Britain (Palmer, 1992: 236). For the execution of this plan, both the British and French relied on help from the development of a controlled Islamic nationalism among the Arabic speaking tribes against the Ottoman Empire.¹ This is where the importance of Captain T.E. Lawrence lies:

¹ On June 5, 1916 Sherif Hussein of Mecca began the Arab revolt. He denounced the impiety of the Young Turks who had followed a secular reform program. British agitation of the Arab-Islamic nationalism was a controlled one, given that the Young Turk government was also trying to develop a feeling of Jihad (Holy War) among the
the organization of an Arab-Islamic revolt against the Young Turks by propagating myths of "the terrible Turk"².

Despite this agreement of 1916 and the anti-Turk campaign, there were a number of oil concessions concluded among the Ottoman government, various Arab tribal leaders and British government during the 1912-1922 period - to give oil concessions only to companies appointed by the British government (Zahlan, 1989: ch. 2). The Turkish Petroleum Company (TPC), established in 1912 with a 50 per cent British share in it, had monopoly rights over the Mosul-Kerkuk oil fields. The French did not have any share in the TPC, and were excluded from various oil concessions. Yet, the Sykes-Picot Agreement had guaranteed the political control of Mosul to France, and thus France had a claim of a share in Mosul oil. At the San Remo Conference in 1920, the oil rivalry between Britain and France was resolved: the Deutsche Bank's 25 per cent share was assigned to France, and Britain was to have the right to establish a mandate regime over Iraq (Kent, 1976: 137-157; Venn, 1986: 40-41; Hershlag, 1968: 26).

It was difficult, however, to arbitrarily define the territorial boundaries of the French or British sphere of control over oil fields. The partition of the Middle East was complicated by the geographic limits of tribal control; not only Arabic-speaking tribes, but both Kurdish and Turkish speaking Muslims and Armenian-Christians were living in these most disputed territories. The continuing rivalry between France and Britain was further complicated by the late entry of the U.S into oil negotiations. The San Remo Agreement of 1920 excluded American oil interests in the region (Mejcher, 1976: 110-112; Venn, 1986: 40-41). As a result, the U.S. delayed endorsing the British mandate over Iraq while it began to encourage both Kurdish and Armenian rights to self-determination.

Muslims of the Ottoman Empire against both the British and French. When the Bolsheviks leaked the details of the Sykes-Picot Agreement after the Revolution in 1917, Cemal Pasha of the Young Turk government declared the Agreement as an evidence that the Sherif of Mecca was conspiring with the Christian imperialists against the Sultan-Caliph. The difficulty of the British-inspired Arab nationalism was rooted in the fact that Islamic nationalism of Arabs could have supported the Ottoman call for Jihad. At the same time, the Balfour Declaration of 1917 revealed that the British government was in favour of the establishment in Palestine of a national home for the Jewish people. The Ottoman Cemal Pasha made use of both the Sykes-Picot Agreement and the Balfour Declaration as proofs to the Islamic world that Arabs in conspiracy with the British were handing over their Muslim heritage to the Zionists supported by Western imperialist powers (Palmer, 1992: 239-240). For the Balfour Declaration, the German Jews and the Ottoman Empire See: Friedman, I. (1977). Germany, Turkey and Zionism. Oxford: Oxford University Press.

² For a detailed analysis of such myths not only in relation to the activities of Lawrence but also the writings of Byron, see Sir Bernard Burrows (1988: 1-8), "Turkey and Europe: The Cultural Background" in G. Johnson (ed.) Turkey and Europe in a Cultural Context. Cambridge: Center of Middle Eastern Studies.
World War I was finalized for the Ottoman Empire with the Treaty of Sevres in June 1920. The treaty reflected a policy compromise between Britain, France and the U.S over the partition of oil fields in the Middle East. With this treaty, Ottoman rule over the Arab speaking Middle East ended; Britain acquired the mandate of Iraq while the territorial control of Mosul was still uncertain; France was given Syria and Lebanon. Britain supported Greek territorial demands. Greek territories were advanced to include Edirne and the whole of Macedonia and Thrace up to Catalca, leaving Istanbul with only 50 kilometres hinterland in Europe. It gave Greece 8 islands in the Aegean. Izmir, the finest port in Aegean Anatolia, was left under Ottoman control for five years, after which there would be a plebiscite over its fate. Rhodes and Dodecanese were given to Italy. To counteract the British advance in the Middle East, the U.S proposed plans for Armenian independence. An independent Armenia was to be established in Eastern Anatolia (Erzurum and Trabzon were also assigned to the Armenians to provide them with access to the Black Sea). Kurdish autonomy received both American and British support; the most critical issue was the future political control of Mosul-Kerkuk oil fields. The treaty also proposed an autonomous Kurdistan east of the Euphrates, with the Kurds having the right to choose independence after twelve months. The Straits of Dardanelles and Bosphorus were to be demilitarized and controlled by an international commission; the Ottoman army would be limited to 50,000 men for matters concerning internal security. The capitulations and the Public Debt Administration were to be restored; Britain, France and Italy would jointly control the Ottoman state budget and public loans. Following the treaty of Sevres, the Greek army, which had already landed in Izmir on 15 May 1919, began its campaign toward Thrace and Western Anatolia on 22 June, 1920. And in July 1920 the Ottoman government signed the Sevres Treaty (Palmer, 1992: 253-254). The Greek army occupied most of the Aegean coast, an area whose population was not more than one quarter either Greek-speaking Christians or Turkish-speaking people of Greek Orthodox faith (Keyder, 1987: 72).

It was the Greek army’s occupation of Izmir in 1919 and military advance into Western Anatolia that aroused much resentment among Ottoman military-civil bureaucratic cadres. Greek territorial claims were already known since the Paris Conference of 1919 before the Sevres Treaty was signed by the Ottoman government (Yapp, 1987: 307-308). It was the Greek army’s advance toward the interior Anatolia since 1919 that led the Ottoman bureaucrats to organize an underground resistance in Istanbul and the
Anatolian provinces against occupation. The Ottoman resistance organization called the “Association for the Defence of the Rights of Anatolia and Rumelia” provided both an essential network, arms and army to what was called “War of Independence” which took place between 1920 and 1922. The aim of the “War of Independence” was to replace the Sevres Treaty with a better one.

For the Ottoman bureaucratic cadres, and for M. Kemal in particular, one and the ablest of them all, the Greek occupation of the Anatolian hinterland and Thrace, including Edirne, and the proposed Armenian and Kurdish states on the mainly Turkish-speaking lands of Anatolia were unacceptable. The “national” congress held in Erzurum between July 23 and August 17, 1919 by the Association for the Defence of the Rights of Anatolia and Rumelia endorsed a manifesto which stipulated that Turkish-speaking Muslims had a right to self-determination. Their lands both in Anatolia and Europe constituted an indivisible entity in which there could be no Armenian, Greek or Kurdish states. Moreover, the Allies should abandon their plans for partitioning what remained from the Ottoman Empire. The Sivas Congress held in September 4, 1919 clarified this manifesto and named it the “National Pact”. The National Pact was endorsed by the Ottoman parliament in January 1920, and, thus, attained constitutional recognition (Palmer, 1992: 249-251). Following this endorsement, the Ottoman parliament was formally dissolved on 18 March, 1920 by the British who formally occupied Istanbul in March 16, 1920.

A new parliament, known as the Grand National Assembly, was organized in Ankara on 23 April, 1920 by the Association for the Defence of the Rights of Anatolia and Rumelia. In May the Grand National Assembly appointed its own executive committee with M. Kemal as president. This newly formed government maintained that its aim was to liberate the Sultan-Caliph from captivity. M. Kemal declared that the Grand National Assembly was to continue the work of the Ottoman parliament; its aim was to preserve the sovereignty of the Sultanate and Islam within the boundaries of the National Pact: in addition, the Sultan-Caliph was to take his place within the constitutional regime as soon as he was freed from the British coercion in Istanbul (Tuncay, 1981: 28-29).

Despite the fact that the Allied powers had agreed on the partition of the remaining Ottoman territories, none of them was willing to face a new war by enforcing the Sevres Treaty and supporting the Greek army’s advance in Anatolia. There was still no stability in the inter-state system. First the Grand
National Assembly signed the Treaty of Gümri with the Soviet government on March 1921, thereby establishing a border with the Soviet Union that divided the lands proposed in the Sevres Treaty to be a homeland for Armenia. In this friendship treaty, both governments declared that they were united in the principle of a brotherhood of nations and in the recognition of the “Turkish” right to self determination. In addition to the Soviet government’s handing over of Kars, Ardahan and Artvin, the Ankara government also received arms and financial aid from the government of Lenin. For the Soviet Union, the Greek occupation of Anatolia was part of the British “imperialistic” design in the Middle East. Both France and Italy also began to see the Greek occupation of Anatolia as part of the larger British design for expansion, and, thus, signed cease-fire agreements with the Ankara government. Some French officers even fought on the side of the newly formed “Turkish” army while Italy was engaged in large scale arms sales to the Ankara government (Keyder, 1987: 73-74). The Turkish-Greek war continued until 1922 when Izmir was recaptured on September 9. The British also abandoned their initial support of Greek territorial claims in Anatolia toward the end of the war.

Turkey’s Western border with Greece and southern border with Iraq was decided with the Lausanne Treaty of July 24, 1923 after long negotiations between 1922 and 1923. The sultanate was abolished just before negotiations started at Lausanne. The Lausanne Treaty replaced the Treaty of Sevres and recognized the transition from the Ottoman sultanate to a rule of national sovereignty, and guaranteed a territory in Europe for Turkey by dividing Thrace, with Edirne remaining in Turkey. In addition to receiving two Aegean islands (Imroz and Tenedoz), Turkey regained its sovereignty over the Straits, although there were to be demilitarized zones on the Straits as well as in all the Aegean islands and along the Thracian frontier (Palmer, 1992: 263). After some intense negotiations, capitulations were discarded for all time, and the Ankara government was recognized as economically independent. The Public Debt Administration (PDA) was recognized as a private financial institution; the future of it was left undecided to be negotiated between the Ankara government and representatives of the financial cooperations (the PDA was terminated in 1928) (Blaisdell, 1929).

With this treaty, the present borders of Turkey were drawn while the political-military and economic sovereignty of the new state was recognized. The Turkish-Soviet borders remained as decided
with the Gumru Treaty, and Turkey refused to consider the question of Armenian independence. This issue was not pressed by the French, the British or the U.S. The exceptions to border settlements were Hatay-Alexandretta, disputed with France, (whose fate to remain in Turkey was decided in 1938) and Mosul, negotiated with Britain. It was in 1925 that Turkey gave up its territorial claims over Mosul. Britain acquired a mandate over the region with the approval of the U.S.

Even though the Mosul dispute was between Turkey and Britain, it was the alliance between the American company Standard Oil and Turkish Petroleum (of which the British company had the largest share) that secured Mosul remaining in Iraq (Fromkin, 1989: 533-536). The British strategy was to gain American support for its mandate in Iraq by giving a share to Standard Oil. Just before the Lausanne negotiations began in November 1922, Standard Oil signed an agreement in July 1922, with British and French companies over the allocation of oil rights in Iraq (Boratav, 1982: 28), and acquired a 23.7 per cent share of the Turkish Petroleum Company (Mejcher, 1976: 5-6). In response to British efforts to gain American support over Mosul, Turkey granted oil concessions to another American company, the Chester group, on April 8, 1923 before the Lausanne negotiations were concluded. With Standard Oil’s success in securing a share in Turkish Petroleum, the Chester group became obsolete. The U.S government was more concerned with securing a place in the region for an American oil company (either via Standard Oil or the Chester group) than rejecting British control over oil in the Middle East.

In addition to gaining American support, there were other strategies considered by the British: to incite revolts among the Kurds with the promise of establishing a Kurdish state in Mosul. The Sykes-Picot and San Remo agreements as well as the Treaty of Sevres were clearly built upon the possibility of organizing an autonomous Kurdish state over the oil fields of a region predominantly occupied by Kurdish-speaking people (Olcay, 1981: 121; Selahi, 1986; Yildiz, 1991). The English strategy was to mobilize the Kurdish Independence Organization (Kurt Teali Cemiyeti) in order to separate Kurdish oil fields from Turkey (Duru, 1978: 160-161). Before and during the Lausanne negotiations, there were an increasing number of revolts. But the British were not successful in organizing a general Kurdish revolt; they were more successful in inciting Kurdish-speakers of Alavi and Christian faiths than the majority Sunni Muslim Kurds.
The 1921 revolt by the Alavi-Kurdish Kockiri tribe and the 1924 Christian-Kurdish Nasturi revolt were carried out with British support. The Nasturi revolt (1924) received British military and financial assistance and some British military personnel actually participated in the revolt (Genelkurmay (Military Headquarter), 1972: 28). The Nasturi revolt started one day after the British application regarding Mosul at the League of Nations on August 6, 1924. During these revolts, it was found that there were 27 military officials of Kurdish origin in the Turkish army working on behalf of Britain in the Kurdish provinces of Turkey (Yildiz, 1991: 33). However, these revolts remained sporadic and were easily suppressed by the Turkish military.

The division of the Kurds into various religious sects and tribes worked against the interests of Britain in its attempt to organize a general Kurdish revolt (Mumcu, 1994). The most important Kurdish revolt of the period was the Shaykh Said revolt of 1925. (I will discuss this revolt at length below.) It was a religiously inspired nationalist revolt by some of the Sunni Muslim Kurdish tribes, led by a Naqshbandi Shaykh. There was no clear connection between the British assistance and the outbreak of the revolt, nor any revealed purpose of establishing an independent Kurdish state (Mumcu, 1994). However, the government of Turkey accused the revolting tribes of conspiring with Britain in an effort to establish a possible Kurdish state in the area stretching from Eastern Turkey to Mosul.

The future of Mosul was not decided at Lausanne even though, with the help of the U.S., Britain secured a mandate over Iraq. Lausanne left the Mosul issue to be decided at the League of Nations. During the Lausanne negotiations, Turkey's chief negotiator, Ismet Pasha (Ismet Inonu), demanded a plebiscite to determine the Turkish-Iraqi border. Turkey's demand for a plebiscite was an indication of its confidence that Kurdish and Turkish-speaking Muslims in the region would prefer to stay in Turkey. Lord Curzon proposed that the matter be settled in the League of Nations; and Turkey accepted, hoping that it would facilitate Turkey's membership in the League. In 1925 the League of Nations decided in favour of Britain, and Turkey was forced to accept the loss in Mosul, in spite of the fact that Turkey's admission to the League of Nations was delayed until September 1932 (Hershlag, 1968: 25). The assignment of Mosul to Iraq was Turkey's heaviest territorial loss, with compensation of only 10 percent of royalties accruing to the Turkish government from the oil companies operating in Mosul over a twenty-five year period (Hershlag,
With the conclusion of negotiations at Lausanne in 1923 and the border settlement with Iraq, the proposals for Armenian and Kurdish independence were forgotten. In the process of drawing of the new frontier lines with British-controlled Iraq, nothing was heard of an autonomous or an independent Kurdistan. The “Kurds” were divided by the frontiers of the post-Ottoman map of the Middle East. They became a non-people and began to be identified in Turkey as “mountain Turks”. The Armenians were also divided up, some in the Soviet Union, many settling in Syria and Lebanon, and few others in Turkey. The Lausanne peace conference (November 1922-July 23, 1923) defined Turkey’s strategic role as a buffer state between the socialist Soviet Union and the oilfields of the Middle East (given the difficulties involved in creating a territorially united Kurdistan or Armenia among the tribally and religiously divided Kurds or territorially split Armenians). It was because of this role that Britain was seeking to pull the U.S into the Middle Eastern politics (Fromkin, 1989). The oil concession given to Standard Oil makes sense in this context. Briefly, at Lausanne, Britain “secured a regime of the Turkish Straits conforming to Britain’s aims - and in the process drove a wedge between Turkey and the Soviet Union ... Finally, Curzon walked off with the prize of Mosul” (Stivers, 1982: 141).

Beside the Mosul issue, the question of “minorities” in the respective territories of Greece and Turkey also went unresolved at Lausanne. It was after the ratification of the Lausanne Treaty that bilateral agreements between the governments of Ankara and Athens provided for an exchange of populations. What precisely did the terms “Greek” and “Turkish” mean at that time? And what was going to be defined as “minority” status in the exchange between Greece and Turkey? Language was not a defining factor. The great majority of Greeks who left Turkey had little or no knowledge of Greek but spoke Turkish among themselves. In the same way, many of the Turks sent to Turkey from Greece had little or no knowledge of Turkish, but generally spoke Greek among themselves. As B. Lewis pointed out (1979: 23), “(T)he famous exchange of population between Greece and Turkey was not a repatriation of Greeks to Greece and of Turks to Turkey but a deportation of Christian(s) ... from Turkey to Greece and a deportation of Muslim(s) from Greece to Turkey. It was only after their arrival in their putative homelands that most of them began to learn their presumptive mother tongues”. Nationality, then, was identified by religious affiliation and not
by language.

The identification of nationality with religion was clearly evident in the population exchange agreement of the 1920s between Turkey and Greece. More than a million Greek Christians left Turkey; some 350,000 Muslims immigrated from Macedonia to Turkey (Palmer, 1992: 263). This was in addition to the Muslims who migrated during the Balkan Wars. The size of the Muslim population of Turkey also increased with the arrival of Muslims from Russia, both before and after the Bolshevik revolution. During the 1920s, there were more than 2 million Muslims living in Turkey who had arrived from Russia since the Ottoman-Russian wars, and their numbers continued to increase (Keyder, 1987: 80). The increasing number of Muslims living in Turkey was also due to the Armenian expulsion during World War I in May 1915. The Ottoman authorities had organized their deportation from Eastern Anatolia to settlements in northern Mesopotamia (mostly in Syria and Clicia).

The Muslim population made up more than 90% of the people living within the territorial boundaries of Turkey (Jaschke, 1972: 20). Mixed populations of Circassians, Lazes, Arabs, Kurds, Turks, Georgians, and all other Turkic and Muslim cultural categories in Anatolia were considered "Turk" (Kilic Ali, 1955), and reduced to a non-people status, while non-Muslims were accepted as minority groups - as Greek, Armenian or Jewish minorities of Turkey. In this effort, the national identification of Turk with Muslim remained virtually total. The Turkish nation was defined, during the 1920s, in terms of religious affiliation.

How was it, then, secularism became the defining feature of M. Kemal’s trajectory as a nationhood project? What is the link between abolishing the Sultanate and secularism? In the following section, I would like to explore this question by focusing on the growing opposition in the Parliament against M. Kemal and his reforms. Since secularism was placed firmly in the political agenda after the 1925 Kurdish-Naqshbandi revolt of Shaykh Said, I will place particular emphasis on this revolt and the political activities of religious orders.

5.2. From Religion to “The Nation”: 1923-1930

The Grand National Assembly abolished the Sultanate in 1922 when the Lausanne negotiations
were just about to begin. The fate of the Sultanate was decided by the British insistence on inviting a
delegation from the Ottoman Sultan along with a delegation from the Grand National Assembly in Ankara.
The Ankara government interpreted the British invitation to the Sultan as a strategy of dividing the “Turks”
at Lausanne. M. Kemal drafted a motion calling on the Grand National Assembly to abolish the Sultanate.
This motion was debated in Parliament on November 1, 1922, and on November 4 the Sultanate was
abolished; however, the Caliphate was maintained. In response, the Ottoman Sultan imposed exile on
himself and fled the country on November 17. The last Sultan did not attempt to maintain his Caliph status
nor did he try to establish an Ottoman government in exile; he lived in San Remo as a private individual
until he died on May 15, 1926. The Grand National Assembly elected the Sultan’s cousin, Abdulmecid II,
as the new Caliph. The Republic was declared on October 29, 1923, and the new state, formed in Ankara,
was called the Republic of Turkey. The institution of the Caliphate was abolished on March 3, 1924. The
Caliph was formally deposed, and all members of the former Ottoman ruling dynasty and their families
were expelled from the Republic of Turkey - never to return. The last Caliph lived in Paris until his death
on August 23, 1944.

In this chronological ordering of events, we can see a causal chain. After the abolition of the
sultanate and the caliphate, Turkey’s first President Mustafa Kemal (1923-1938) embarked on a radical
secularization program during the mid-1920s and 1930s³. The Republic was constituted on the basis of a
secular nationalism.

In considering the reason for the abolition of the caliphate and a radical reform program of
secularism, it cannot be argued that secular nationalism necessitated the abolition of the sultanate, nor that
the abolition of the sultanate required a policy of secularism. Neither was it the case that the religious
establishment, or influential figures of various religious orders, were opposed to reformism. I will expand
this argument further.

³ For an extensive discussion on M. Kemal’s reforms see: B. Lewis. (1968). The Emergence of Modern
5.2.1. Islam and Opposition Against M. Kemal, 1920s.

The Grand National Assembly was composed of delegates from every occupation, cultural-ethnic group, and socio-economic status throughout the Ottoman Empire (Kilic Ali, 1955: 67). The majority of delegates were Ottoman civil and military bureaucratic cadres, professionals, ulema and sheiks from various religious orders. In fact, M. Kemal and his supporters were in a minority position in the Grand National Assembly. The Commander of the army in the eastern frontiers, Karabekir has noted that the Grand National Assembly was established to organize a war of independence of Muslim-Turkish lands against the Sevres settlement (Karabekir, 1951). The Grand National Assembly, which was organized along Islamic lines, was made up of Muslim Ottoman patriots. They wanted to defend the position of the Sultanate in the last remaining territories with Muslim populations (Tuncay, 1981: 28-29). The main purpose of the Assembly was to preserve both the caliphate and the sultanate. This was clearly stated in Article 3 of the founding charter of the Association for the Defence of the Rights of Anatolia and Rumelia (Tuncay, 1981: 29). All members who signed it, including M. Kemal, agreed on that principle.

If so, then how do we explain the shift in M. Kemal’s attitude against both the sultanate and caliphate? An analysis of the power struggles within the Grand National Assembly helps us understand this reversal in attitude. It appears that M. Kemal wanted to eliminate any possible opposition from parliament by eliminating supporters of the caliphate and religiously-oriented men.

The initial similarity of opinion concerning the role of Islam in forming a new state was also evident between M. Kemal, his close associates and the strong shayks of the Naqshbandi tariqa. Initially, M. Kemal developed an alliance with the Naqshbandi shaykhs in organizing the War of Independence. They all identified nationhood with religion as was the case in the Ottoman Empire. Ismet Inonu (Minister of Foreign Affairs in 1922, Prime Minister since 1923 and the “National Chief” from the death of M. Kemal to 1950), for example, declared his support for the Caliphate: “... The Caliphate is out of all political controversies. The Caliph will live in Istanbul - center of the Caliphate - under the protection of free Turkey ...” (Quoted in Jaschke, 1972: 119).

A significant number of the Naqshbandi shaykhs participated in the Independence War of Turkey. They even supported the abolition of the Sultanate in 1922, hoping that an Islamic constitutional regime
would be established and that the Caliph would be the "natural" focus of power in liberated Muslim lands (Misiroglu, 1992; Ozek, 1968: 77-83; Tunaya, 1962: 149-158). Because of the overwhelming majority held by these religiously-oriented men in the Assembly, Islam remained the state religion until 1928. These men were the guarantee that the legislation designed by M. Kemal and passed by the Assembly would not violate Shari'a principles.

Naqshbandi support for the Kemalists was rooted in the idea that the Independence War was an Islamic jihad (sacred war). In this respect, there was no conflict between the men of religion and M. Kemal who promoted the same idea in his invitation address during the opening of the Grand National Assembly in 1920. In fact, M. Kemal defined the Grand National Assembly as the place where Muslims were to gather to discuss and decide on strategies for the restoration of the sovereignty of Islam (Document numbered 363 in the Harb Tarihi Vesikalari Dergisi (The Journal of the War History Documents), 1955).

Given the fact that the Independence War was conceived as an Islamic jihad, the Naqshbandi sheikhs supported the war. For example, the Naqshbandi sheikh of the Uskudar Ozbekler tekke in Istanbul Ata Efendi played a crucial role in the war. Ata Efendi's contribution to the War of Independence changed from the supply of money, arms and information to providing the nationalists with refuge in his tekke when they were being sought by the British police in occupied Istanbul. Even Ismet Inonu, who adopted a very militant secularist attitude during the 1930s, found refuge in the Ozbekler tekke and was assisted by Ata Efendi in his efforts to join the Independence War (Misiroglu, 1992: 255-265). Said Nursi (founder of the Nurcu semi-order) and Abdulhakim Arvasi (the most influential Naqshbandi shaykh of the period) also supported the War of Independence (Misiroglu, 1992: 285). Said Nursi was invited by M. Kemal himself to take up membership in the Grand National Assembly (Misiroglu, 1992: 285-286; Sahiner, 1979: 236-249). Because of the political importance of his followers to our understanding of present-day Turkey, I will continue with a further discussion of Said Nursi's ideas on nationhood.

5.2.1.1. Said Nursi and Nationalism

Said Nursi's confrontation with the Kemalists had its origin in the intellectual development of the

He saw the Ottoman empire as the last and most powerful Islamic state capable of unifying all Muslims under one nation, regardless of their linguistic differences (Said Nursi, 1990a: 113, 123; Said Nursi, 1990b: 247). He was also strongly constitutionalist. His defense of constitutionalism was based on a rejection of the arbitrary personal governance of rulers, whether they be sultans or republican presidents (Algar, 1979: 316-317). Said Nursi supported the Republican form of the state as the best guarantee for the implementation of Shari’a against arbitrary rule. This was complementary to his notion of nation as a religious community. He defined membership in a national community in the following way: “(O)ur nationality is like a body in which the spirit is Islam and the intelligence is the Qur’an and Faith” (Said Nursi, n.d.).

Said Nursi developed an idea of nation based on the Qur’an, one which he thought would suit the modern concept of the territorially-defined nation state. The Qur’an states: “O mankind! We created you from a single (pair) of male and female, and made you into nations, that you may know each other ... in order to help each other, and not to hate each other and quarrel with each other” (Qur’an 49: 13). Said Nursi stated that “the relationship of language, religion and motherland should be taken to define nationhood. If the above elements are unified, then the nation is truly strong. If any one of these factors is missing, it will be at the expense of national unity” (Said Nursi, n.d.: 20-21). Said Nursi understood the nation to be an Islamic-cultural unity of various Muslim communities within the territorial boundaries of the state. According to Said Nursi, it would be a mistake to substitute a linguistic concept of nationality for Islamic solidarity. For him, the Kemalist understanding of nationality as a linguistic unity was a Turkish form of racism (Said Nursi, n.d.).

Said Nursi opposed the abolition of the Caliphate. He expressed this opposition in a speech delivered in 1923 in the Grand National Assembly. In his speech he outlined the following views. The liberation of the motherland from foreign occupation should be supported by a religious-cultural

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4 The secularization process in the Empire, which began with the declaration of the Tanzimat reforms, tended to focus on the worldly goals of economic development and military strength of the state. This resulted in the legitimation of positive sciences as a viable instrument to realize these goals against the other worldly commands of God. This is what Said Nursi was against.
nationhood project. He stated that nation building on the basis of racial or linguistic grounds would cause
great political division and internal disturbances within the country and would result in the exploitation of
Muslims by foreign powers. The result could be national disintegration. Muslim people of various
communities, he thought, would like to see their rulers as being devoted to Islamic faith and practice. He
believed that this was particularly true in the case of Kurdistan (Said Nursi, 1939, also quoted in Misiroglu,

M. Kemal strongly opposed the idea of Islamic solidarity. Said Nursi understood the impossibility
of persuading M. Kemal. He, therefore, left the Grand National Assembly and returned to Van, his
homeland in Eastern Anatolia, where he devoted himself to the cultivation of an intense Islamic inner life.
While he was in Eastern Turkey, the Kurdish-Naqsbandi revolt led by Shakh Said broke out in 1925.

Said Nursi was a Kurdish man. But he never endorsed separatist Kurdish nationalism⁴. He believed
that linguistic or racial nationalism was a secular movement which would break Islamic bonds among
Abdulkadir (founding leader of the Kurdish Liberation Organization, established in 1918 in Istanbul) with
respect to Kurdish separatism is an interesting one:

"Allah stated in the Quran that I will create a nation who loves Allah, and, in return, Allah
loves them. I thought intensely about this Surra in the Quran and realized that this nation is
the Turkish nation who has defended the Islamic flag on behalf of all the Muslim world for
a thousand years. I don’t support separatism of a few tribalists (meaning Kurdish
separatists) as opposed to serving this victorious nation (Turkish nation)" (Quoted in
Sahiner, 1979: 229).

He prefers a "Turkish" nation rather than an Arab one, even though the language of the Qur’an is Arabic.
This is probably because of his rejection of what he regarded as the Arab conspiracy with the British during
the war. Here his reference to “Turkish” nation is a linguistic one. This quote suggests that he did not have

⁴ Said Nursi had joined during the Ottoman era the “Kurt Teavun ve Terakki Cemiyeti”, “Kurt Terakki
Cemiyeti”. He was one of the founding members of the Organization for the Expansion of Education in the Eastern-
Kurdish provinces (Kurt Nes-i Maarif Cemiyeti) founded in 1919 in Istanbul. His participation in these Kurdish
organizations was caused by his desire for the cultural-religious development of the Kurdish population (van
Bruinessen, 1992c: 141-143). He devoted his political activities to the expansion of Islamic schooling in Kurdistan.
However, he was opposed to the separation of Kurdistan, and, thus did not join in the Kurdish Liberation
Organization. He thought Kurdish separatist nationalism was a British strategy of dividing Islamic solidarity in Turkey.
It was going to help the British “imperialistic” aims in the region more than the cultural and material development of
the Kurds.
any problem in defining nationhood in relation to a spoken language, as opposed to the written language of the Qur'an, as long as it was connected to religion.

According to Said Nursi, the Sheikh Said's revolt was a tribalist act and not a jihad. He conveyed this in the following way: "jihad requires the fight of Muslims only against the external enemies of Islam, and against the ego of oneself. It is not a jihad if the fight is directed against other Muslim groups within the boundaries of a Muslim state" (Quoted in Cakir, 1990: 80). Said Nursi rejected Kurdish nationalism as he rejected Turkish nationalism. Therefore, he played no part in the Shaykh Said revolt (van Bruinessen, 1992c: 141-143). He rejected the national agenda for political autonomy by the Kurds, and pursued the idea of forming a kind of constitutional federation which would unify various linguistic groups under the umbrella of the shari'a. According to Said Nursi, a constitutional federal government was necessary for the proper implementation of the shari'a. He also pursued this project during his years of membership in the Grand National Assembly.

During his seclusion in Eastern Anatolia Said Nursi was accused of inciting revolt among the Kurds, even though there was no evidence of his connection with the shaykh Said revolt. He was exiled to Burdur in Western Anatolia (Unknown, 1960: 142-145) where he began to build a following. His followers were originally local craftsmen, tradesmen and middle peasantry. Especially after the 1950s, the movement, known as the Risale-I Nur movement, began to spread among all categories of people, and his followers constituted an important political faction in the multi-party political regime of Turkey.

The suppression of the Sheikh Said revolt in 1925 is the dividing moment in Said Nursi's political life - between the old Said Nursi (1873-1925) and the new Said Nursi (1926-1960) (Kisakurek, 1990). Before 1925, he was actively involved in politics; after 1925 he withdrew completely from political life and began to write his short treaties (risale), the collection of which is known in Turkey as the Risale-I Nur (Ahmad, 1991: 11). He wrote in Turkish, and his Turkish was very much influenced by Arabic. This might be related to the fact that he was trained in the Ottoman educational system where the language was Ottoman - a mixture of Turkish, Arabic and Persian, and the script is Arabic. After the suppression of the Shayk Said revolt of 1925, Said Nursi totally departed from political life and worked solely on the Risale-I Nur, which he started to write in 1926 and largely completed by the 1950s. With the Risale-I Nur, he
devoted his activities to the development of a new Islamic theology (kalam), and the establishment of a university for religious education. The institution he envisaged was known as the Medreset uz-Zehra. Said Nursi pursued this project until 1951, though his dream was never realized (Algar, 1979: 315).

He devoted his teachings to the interpretation of revelation through his writings. His aim was to demonstrate that knowledge generated by the natural sciences was present in the Qur'an. He claimed that modern science was in fact part of the Islamic massage of the Qur'an. He developed his arguments, albeit crudely, through an examination of the laws, order, and harmony found in nature as illuminated through the verses of the Quran. This thesis was shaped in sharp contrast to the Kemalist project of achieving modernity through secularism.

The expansion of the Risale-i Nur movement was not related to the personalism of Said Nursi as a leader. Said Nursi neither established a religious order nor defined himself as a shaykh. Rather, his writings became the core of his teachings (Algar, 1979: 321). In his writings he brought forth the Quran as the only guide for the development of natural laws. In this effort, there was no place for the personalism and the flexible re-interpretation by a shaykh of the Prophet's tradition (Sunna). His goal was to re-articulate Islamic traditions more sharply than before. This effort was a response to M. Kemal's conviction that Islam and modernity were incompatible.

He identified himself as an imam, but not a sheikh. He stated: "I am not a sheikh, I am an Imam like Imam-i Ghazzali and Imam-i Rabbani. The time of ours is not the time for tariqa, it is now the time to save the faith" (Qouted in Cakir, 1990: 82). Said Nursi saw himself as a religious preacher concerned with the re-interpretation of universal Islamic knowledge under modern conditions. An emphasis divorced from personality and written materials as the source of knowledge differentiated Said Nursi from the other Naqshbandi shaykhs and underlined his constitutionalist attitude (Mardin, 1989: 34-39).

5.2.1.2. The Kurdish-Naqshbandi Revolt of Shaykh Said (1925)

M. Kemal did not want Islam to be the basis of opposition to his leadership. And yet, during the crucial first years of the new state (1923-1925) the Kemalists were a minority in the Grand National Assembly. Even after the proclamation of the Republic these highly influential men of both the religious
and bureaucratic opposition did not abandon their struggle against the Kemalists. They continued to use the Caliph as the symbol of their opposition. When the international dispute between Turkey and Britain over the future of Mosul oil reached a deadlock, Kurdish-Islamic opposition proved to be critical for the Kemalists’s control of the parliament.

M. Kemal and a small group of his friends were organized in the Grand National Assembly under “the Defense of Rights Group” and advocated the view that the Ottoman state should be abolished and a new state established within the National Pact borders (Tamkoc, 1976: 11). The Defense of Rights Group was later transformed into the Republican People’s Party and ruled Turkey until 1950. The group called the “Second Group”, on the other hand, were vehemently opposed to M. Kemal’s personalism in ruling and demanded a constitutional parliamentary form of government under the Sultanate (Frey, 1965: 366-367; Tunaya, 1952: 535). They also accepted the Caliph as the only legitimate sovereign and head of state (Lewis, 1968; Robinson, 1963).

These two political factions formed the first organized opposition parties in the Grand National Assembly (Atasoy, 1986: 42-66). The Second Group was dissolved by M. Kemal soon after the first elections in 1923 (Giritlioglu, 1965: 48). Thus, M. Kemal eliminated parliamentary opposition against his presidency. However, the Second Group provided ideological continuity between the early opposition parties of Republican Turkey and the Islamic legacy of the Ottoman Empire. These opposition parties, formed during the time of M. Kemal’s rule, were the Progressive Republican Party (1924-1925) and the Republican Free Party (1930). After the elimination of the Second Group, the factional opposition within M. Kemal’s Republican Peoples Party (RPP) was organized into the Progressive Republican Party (PRP).

The PRP was a liberal party and did not advocate any connection between the sultanate and Islam as a basis for state legitimacy. Article 6 of the founding Charter of the party stated clearly that the PRP was respectful to the expression of religious beliefs and opinions (Frey, 1965: 326-327; Tunaya, 1952: 611-617). This was vehemently opposed by the government, which saw it as setting up grounds for Islamic

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6 After the elections, none of the members of the Second Group was elected to the Grand National Assembly. The reason for that was rooted in the fact that the elections were organized through a two-degree system. In that system, a group of men was designated to ratify the names send to them by the government in Ankara. M. Kemal’s government simply did not include any names from the Second Group in the list send to the electing organ (Giritlioglu, 1965: 48; Tunaya, 1952: 538).
opposition against the reforms carried out by M. Kemal (Giritlioglu, 1965: 57, 67). The PRP saw the nation as a political unity of citizens who were differentiated by often conflicting interests. The PRP, therefore, advocated the protection of individual rights and freedoms against the power of the state. It emphasized the political representation of these conflicting and differentiated interests in parliament (Tunaya, 1952: 585, 616-618).

The PRP’s emphasis on the expression of political differences was opposed by M. Kemal and his Republican People’s Party (RPP). M. Kemal’s primary concern was with the unity of territorial boundaries which were in the process of being established, not with individual political liberties. He expressed his opposition to the freedom of political expression in the following response to the PRP: “What is the outcome of granting people with various political liberties? People will start to make fuss and noise on the streets. Is it a desirable aim? No! First, we should grant the nation with social-national unity and independence before thinking about individual liberties, efendiler (sirs) (referring to the deputies in the Parliament).” (Quoted in Betin, 1951: 81-82).

Even though the future of the Caliphate and freedom of religious expression appeared to be the issue which created tension between M. Kemal and the opposition party, there was originally no difference of opinion between them in relation to Islam. The real source of tension was rooted in the power struggle itself (Atasoy, 1986: Ch. 3 and 4). The opposition consisted mainly of former top rank military commanders and high bureaucrats from the Ottoman Empire. Among them were Fevzi Cakmak (the Chief of the General Staff of the Ottoman Army. Cakmak also served as the Chief of Staff in the War of Liberation), Rauf Orbay, Ali Fuat Cebesoy, Kazim Karabekir and Refet Bele and Fethi Okyar (Tarkoc, 1976: 332). Neither M. Kemal nor his close associate Inonu were in the highest commanding positions in the Ottoman military hierarchy. The opposition was against the rising personal political power of M. Kemal and Inonu7 (Ortac, 1961: 66-72; Kandemir, 1955; Logoglu, 1970: 46; Inonu (S. Selek, ed.), 1985: 193).

M. Kemal’s aim was to exclude from the political process any real, potential or imagined

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7 I. Inonu joined the War of Independence and entered the Grand National Assembly on April 23, 1920 later than many other Ottoman commanders. Yet, M. Kemal appointed him as the First Chief of the General Staff of Turkish Army on May 2, 1920 (Tokin, 1946: 11). This was resented by many high rank army commanders. At the same time, Inonu had never been in the higher ranks of the Ottoman army hierarchy.
opposition to the exercise of political power by himself and his party. Therefore, he decided to abolish the Caliphate in 1924, even though the Caliph was not a threat to himself or his political party. Caliph Abdulnecid was a quiet man, occupying most of his time with art work (he was a painter). He never involved himself in the politics of Turkey. On June 5, 1925 the PRP was dissolved by the government as its founders refused to abolish it voluntarily. The outbreak of the Sheikh Said Revolt in 1924 provided the opportunity for its closure. Party members were accused of inciting the Kurdish-Islamic revolt in Eastern Turkey, even though there was no connection found between the party and the revolt (Lewis, 1968: 266).

The Sheikh Said revolt against the abolition of the Caliphate was an Islamic counter-revolution strongly linked to Kurdish nationalism. The significance of the revolt was threefold: 1- After the suppression of the revolt, the opposition within the Grand National Assembly was virtually eliminated; 2- It signified the beginning of militant secularism in Turkey; 3- The Naqshbandi tariqa was forced underground. With the suppression of the revolt, the single party regime was firmly established in Turkey. Moreover, the political activism of the Naqshbandi tariqa, which existed since the ruling era of the Sultan Abdulhamit, declined and went underground. Naqshbandi shaykhs also began to lose their role of political leadership among the Kurds. This left room for the later emergence of separatist ethnic Kurdish nationalism, especially during the 1970s. Because of its far-reaching and important implications I will continue my discussion of the Shaykh Said revolt.

The abolition of the Caliphate on March 3, 1924 by M. Kemal and his close associates was interpreted by the Kurdish Naqshbandi leaders as an anti-religious act. These leaders wanted to build an independent Islamic state under the political leadership of the Kurdish Independence Organization (Kurt Istiklal Cemiyeti). Sheikh Said was chosen on August 1925 as the regional leader of the organization in the Eastern provinces (Mumcu, 1994: 57-58). He declared that his goal was to constitute the Shari’a in the state structure of Turkey, but not necessarily to establish an independent Kurdistan. If he failed to constitute the Shari’a, he then would have pursued an independent Islamic state of Kurdistan (Mumcu, 1994: 123-140).

The revolt was limited in scope as not all the Kurdish leaders participated (van Bruinessen, 1978: 401; Mumcu, 1994: 54-62). The shaykhs of the Naqshbandi tariqa played a crucial role in organizing the revolt (van Bruinessen, 1992c) even though not all shaykhs supported it. Said Nursi did not support it
either. However, there was a Kurdish nationalist element in it. There was almost no Turkish participation. It evolved as much as a Kurdish nationalist movement as an Islamic jihad against the abolition of the Caliphate.

M. Kemal acted decisively against the revolt, and the government passed the “Law for the Maintenance of Order” (March 3, 1925- March 4, 1929). This law gave the government virtually absolute powers, exercised through special courts known as Independence Tribunals. Kemalists used this opportunity to enact radical reforms, which would otherwise be resisted not only by the opposition in parliament but also by the general public. During the first two years of the Law for the Maintenance of Order, over 500 people were sentenced to death by the Independence Tribunals. The Progressive People’s Party was dissolved in June 1925 by the Independence Tribunal, even though there was no connection found between the party and the revolt. With the suppression of the revolt in 1925, M. Kemal silenced all opponents of the regime and established a single party system in Turkey which lasted until the end of World War II.\(^8\)

It was within the military-strategic context of establishing territorial boundaries of the state that the future direction of Kemalism as a nation-state project was determined. After the elimination of all opposition, the government directed its activities toward the constitution of “The Nation” along the lines of a European model of the nation-state.

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\(^8\) There was another attempt made to establish an opposition party in 1930, yet its life was very short, less than a year. The Republican Free Party (RFP) was established in 1930 by Fethi Okyar, M. Kemal’s close friend. The RFP was planned and endorsed by M. Kemal, yet it was presented to the public as though it was a genuine opposition party (Karpat, 1957: 27). The RFP was formed by the ruling political party (RPP) itself in order to eliminate and contain potential opponents of M. Kemal (Tuncay, 1981: 254; Giritlioglu, 1965: 75). There were two main differences between the RPP and the RFP: 1- the RFP advocated economic liberalism as opposed to the economic statism of the ruling RPP; 2- freedom of expression and individual rights had priority for the RFP, in opposition to the RPP’s emphasis on state power and control (Tuncay, 1981:254; Tunaya, 1952: 634-635). Its leader, Fethi Okyar, expressed his opposition to the economic statism of the RPP as follows: “state intervention in the economy prevents the development of free enterprise and hinders the economic well-being of the citizens” (Tuncay, 1981: 254), and he adds: “I am in the opinion that, in addition to the world economic crisis, economic policies of the government have increased the economic problems of the country” (Tunaya, 1952: 631-632). The Minister of Internal Affairs, Sukru Kaya, was severe in his response: “We cannot sacrifice state authority just for the sake of individual (economic or political) liberties” (Quoted in Giritlioglu, 1965: 79). In relation to the growing tension between the ruling RPP and the RFP in opposition, M. Kemal’s support for the RPP was evident. Thus, the RFP decided to dissolve itself in 1930, since it was obvious that “it was impossible to engage in political struggle against the Gazi (meaning M. Kemal)” (Lewis, 1968: 281).
5.3. Secularism as a Nationhood Project

The Kemalist strategy consisted of both constructing a national culture and exercising vigilance over territorial integrity and national independence. Territorial integrity and national independence constituted the basis of Turkish foreign policy on which M. Kemal and his party sought to build a new nation.

M. Kemal's secularizing project was designed to transform the legal and institutional basis of the state. Measures here included the abolition of the Caliphate in 1924, the elimination of the Shari'a courts and office of the Seyh'ul-Islam (the highest religious official in the Ottoman Empire) and the repeal of the constitutional clause in 1928 which proclaimed Islam as the state religion.

The other aspect of the secularizing project consisted of changing the symbolic framework of social and cultural life in Turkey (B. Toprak, 1981; Heper, 1981; B. Lewis, 1968; Berkes, 1964). The aim was to create a new basis of political identification for the people of Turkey which would replace Islamic and Ottoman sources of identification. Toward this end the following measures were taken: the wearing of fez by men and the veil by women was outlawed in 1925; the Latin alphabet was adopted in 1928 and the script was changed from Arabic to Latin; the Gregorian solar calendar was adopted in 1926 (in the place of the Muslim lunar calendar); the Swiss civil code was adopted in 1926; weekly holidays were shifted from Friday to Sunday; attempts were made to "purify" the Turkish language by eliminating Arabic and Persian words; and the educational system was restructured along strictly secular lines. The Faculty of Theology, which had previously taught higher education in religion, was abolished, and the Institute of Islamic Research was established within the body of the Faculty of Arts of Istanbul University (Tarhanli, 1993: 20-21). Thus, higher religious education was replaced by scientific research on religion within the Institute. In addition, Islamic prayer (Ezan) and the Qu'ran were translated from Arabic into Latin scripted-Turkish. Moreover, the legal code was changed to penalize anyone reading the Qur'an in Arabic with a 3 month jail sentence (Tarhanli, 1993: 20-21). Through the sweeping changes noted above, in the legal-institutional and the symbolic framework of the institutional, political and cultural life of Turkey, M. Kemal hoped, in due time, to relegate Islam to the sidelines.

By utilizing the important Ottoman legacy of keeping religion and ulama under state control and by
preventing the religious establishment from developing its own power independent of the state (Mardin, 1986), M. Kemal also established greater state control and regulation over religion. The key to state control over Islam was the establishment of the Directorate of Religious Affairs in 1924 within the office of the Prime Minister. It was to be a government-funded and controlled institution (Tarhanli, 1993: 39-209; Albayrak, 1991: 222-234). All mosques in Turkey were placed under this state institution, and all religious personnel, imams (prayer leaders) and hatips (preachers), became appointed, paid employees of the state, incorporated into the state structure.

The establishment of the Directorate of Religious Affairs in 1924 must be seen as the key to understanding the development of secularism in Turkey. The secularization project of M. Kemal did not involve a simple separation of the state from religion. Rather, it involved the creation of an official Islam as part of the state apparatus. The role of the Directorate of Religious Affairs was to encourage the development of civic responsibility and total conformity of Muslims to the Kemalist interpretation of secularism.

The religious textbooks written by state-employed Islamic clergy and commissioned by the Directorate of Religious Affairs during the late 1920s and 1930s stressed the virtue of being a good Muslim citizen. According to these books, a good Muslim “had to love his country, respect the laws of the Republic, submit to the progressive guidance of the state officials, do his utmost to learn modern techniques, apply scrupulously the principles of good hygiene, consult a doctor in case of illness to avoid being the cause of epidemics, and work energetically for the development of the country” (Dumont, 1987: 3). Emphasis was on the notion that a “good Muslim” ought to be a “good citizen” of the state. Courses on religion, which were conceived as courses on citizenship, remained in the school curriculum until 1939 when they were totally eliminated. In 1937 secularism became a constitutional requirement.

M. Kemal's emphasis on the absolute privacy of the individual conscience as opposed to the social manifestation of Islam was well suited to the creation of mass political citizenship- which requires a direct link between the individual and the state (Mann, 1984 and 1987; Mouffe, 1992). This was an attempt to secularize “social” life and individualize religion (Tanor, 1987: 182). The Minister of Internal Affairs, S. Kaya, conveyed this in his 1937 speech in Parliament: "Our aim with secularization is to make sure that
religion will not be effective in the affairs of nation … religion should not be part of the material life and
the worldly affairs” (quoted in Tarhanli, 1993: 19). As a result, M. Kemal presented a whole new sense of
the “nation”. “Nation” was now recreated as a collection of mass citizens linked directly to the state.
However, Kemalist prescriptions on good citizenship were not meaningful in the social-cultural
organization of everyday life. Secularism created a moral vacuum by separating local cultural beliefs and
the state. Once emptied of its symbolic content, the end result was a society which appeared as “a seamless
and structureless whole” (Mardin, 1984: 117).

Mustafa Kemal, as the cohesive authority in constructing a new basis for national culture, tried to
create a new understanding of “the past” and “a history” for the people of Turkey (B.E. Behar, 1992; M.
Gologlu, 1974; Lewis, 1953; A.Inan, 1939; Birinci Turk tarih Kongresi Zabitlari, Konfreranslar,
Munakasalar (The First Turkish History Congress Documents, Presentations and Debates), 1932). The
Turkish History Thesis (1932) and the Sun-Language Theory (1937) were advocated to establish a political
theory of the Turkish nation along ethnic-linguistic lines.

The “Turkish History” thesis was constructed at the First Turkish History Congress in 1932 (B.E.
Behar, 1992). The official history contrasted Ottoman identification with the pre-Ottoman Turkish “race”
which emerged in Central Asia and claimed that “the Turks of Turkey belonged to this great race which
established great civilizations in Anatolia, the Aegean, and Mesopotamia”. The Hittites and Sumerians were
also seen as the Turkish forebears of the Turks of Turkey (Seton-Watson, 1977: 259).

The second most important strategy for constructing an ethnic core for the nation was the Sun-
Language Theory (Gunes-Dil Teorisi), presented at the Second Turkish History Congress in 1937. The Sun
in the old shamanistic tribal religion of Turks symbolized the power of nature against the power of God.
Turkish culture, according to the Sun-Language Theory, evolved through a secular, anti-Islamic,
1938). Islam was an ethnic religion of Arabs associated with the Arabic language and traditions (B. Lewis,
1988). The role of the state now was to get rid of this “foreign” element from a genuine understanding of

9 The Turkish History Thesis, created in 1932 and consolidated at the Second Turkish History Congress of
1937, was taught in the schools for about twenty years, and still remains to be the official history thesis of the state
although some additions and few changes were made after the 1950's.
Turkish culture.

Both the “Turkish History Thesis” and the “Sun-Language Theory” attributed a primordial quality to the nation. According to this official construct, the Turkish nation existed from ancient times. It was the responsibility of Republican nationalists to “rewaken” it in order to give it its place in the world of nations. In M. Kemal’s words, “(the Turkish nation would) live as an advanced and civilized nation in the midst of contemporary civilization”. Such a nation would have to be secular and rational, emphasizing modern science and education in order to be strong in a world dominated by Western European nations. This approach bypassed the Islamic and Ottoman sources of identification, and required the adoption of a Western trajectory of state-making as the only trajectory.

The Turkish nation was constructed within a set of common territorial boundaries as a linguistic unification of various Muslim cultural categories. A secular conception of territorial and linguistic unity was seen as providing the best means for achieving, or catching up to, the level of technological and economic development in the West. Parallel to a Weberian line of thought, Kemalists believed that the fundamental driving force behind the development of Western industrial economy could be traced to its religio-cultural practices. Kemalists saw Islam as an incongruent model for the rise of an industrial economy because of its alleged cultural difference to rational (instrumental) thinking. In the Kemalist trajectory nationalism was a cultural-political project advocating a secular conception of folk culture distinct from the Ottoman-Islamic and Western sources of culture.

Modernity was the organizing ideological framework of the Kemalist nationhood project. In terms of the way of life fostered by the great transformative agencies of modernity in the West, M. Kemal saw modernity as westernization, the actualization of which was linked to the secularization of social life. Even though modernity and westernization are analytically different concepts, in practice they came to mean the same thing. This means that M. Kemal closed off the possibility of various reflections on human experience under the westernization project as well as the possibility of different organizing frameworks of

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10 Incongruity of Islam to the rise of “capitalism” is argued by reference to the cultural differences between it and Protestant Europe. B. Turner, however, argues that the cultural differences between these religious systems may not be as decisive as M. Weber and modernization theorists have assumed. For this discussion see: Bryan Turner. (1974). *Marxism and the End of Orientalism*. London: Routledge.
that experience. That is, the Kemalist project of nation-making was built, first, by defining "the other" and, second, by the elimination of the other. Islam and anything associated with Islamic culture was defined as other and external to the nation-state project. Therefore, it needed to be eliminated.

In this way, Kemalism produced a system of oppositions in the construction of an ideology of nationhood between the modern Western and the traditional Eastern modes. Secular nationalism came to be seen as modern, progressive and western, and, therefore, internal to the nation-state project; everything or anything which was associated with Islam and Ottoman was presented as backward, reactionary and eastern, and, therefore, external to modernity. According to this ideological map, Kemalism displaced Islam from the public arena controlled by the state.

Kemalism advocated "modernization" as a means of integrating this very same oppositional space that it constructed. A secular project of linguistic and territorial integration was supposed to overcome the oppositional division of social space by breaking not only with the Islamic-Ottoman past, but with a variety of Islamic cultural expressions so that the nation would be "released" from the effects of a one thousand year old Islamic and seven hundred year old Ottoman historical-cultural legacy. The aim was to overcome ambiguity and precisely define the political frontiers between what is internal and what is external to the nation-state project.

One interesting aspect of the Kemalist trajectory of change concerns the perception of "the West". Kemalism was marked by an ambivalence as to determining Turkey's relation to the West and to westernization. The ambiguity of Kemalism was characterized by great admiration for western modernity, on the one hand, and, on the other, by a rejection of western political-military and ideological domination of non-western societies as "imperialistic". Kemalism was built on the western ideology of modernity which aimed at realizing the level of technological and economic development achieved by the West. The "imperialistic" image of the west, however, constituted a very significant part of Kemalist nationalism in so far as it worked toward creating a distinct "Turkish" folk culture around a politically and militarily strong state.

As previously noted, in this project "The Nation" was attributed a primordial quality. The "Turkish nation" existed from ancient times and the Republican nationalists were to "rewaken" it. The nationalists
viewed the creation of a unified Turkish nation as a manifestation of, or "uncovering" of, a pre-Islamic cultural essence, hoping to constitute a distinct folk culture. The possibility that the "Turks" were largely unaware of a separate Turkish culture and history outside the scheme of the Ottoman and Islamic sources was totally ignored, despite the fact that the Turkish speaking population of Anatolia were in general identified with the Anatolian peasantry which was marginalized into the heterodox elements of Islam (Keyder, 1993: 20-21; B. Toprak, 1981: 24-31; B. Lewis, 1968: ch. 10). The Turks of the Ottoman Empire were not unified as an ethnic-linguistic community. For Turks, local ties of kinship, village or region were often more important than a general Turkish identification (B. Lewis, 1968: ch. 10). They lacked a sense of a unified community or cohesion separate from the larger religious community of Muslims (Keyder, 1993: 20-21; B. Toprak, 1981: 24-31). Therefore, in the formative years of Turkish nationhood (the 1920s and 1930s) M. Kemal benefited from the Islamic sources of identity among the common people.

As a result, we can say that a theory of ethnic/linguistic ties does not explain why and how Turks and other cultural categories of Anatolia were transformed into a nation. The difficulty was not due to the fact that various cultural categories of the empire lacked a culture of their own, based on history, language and religion, but because their political and cultural identity overlapped with a wider meaning of Islamic culture, loyalty and Ottoman identification. Therefore, Islam was initially utilized to be the basis for good citizenship. However, the Kemalist project did not envisage a relationship between religion and culture; it was a project for the secularization of social life. In this respect, Kemalism was not distinct from the earlier attempts of the Ottoman reforming elite in their lengthy search for an ideology of nationhood. Secularism was in the political agenda since the Tanzimat period (1839-1876). What is different in the Kemalist project is that it consolidated secularism by linking it to a territorial and linguistic conception of nationhood. It did so by reducing various cultural categories (e.g. Kurdish community) to the status of a political mass, to be cleansed from religious-cultural experience. But the Ottoman reform program did not challenge the multi-cultural character of the empire. Secularism was imposed on society by the bureaucratic mechanism of the state as linked to a populist interpretation of society.

5.4. Bureaucratic Control and Nationhood.
Populism was the organizing ideological principle of nation making during the single party era. The General Secretary of the RPP and one of its ideologists, Recep Peker, outlined this principle: “The Turkish Republic is a populist state ... Populism implies equality before the law among all citizens of the state, granting no one within the nation with privileges and superiority, ... (It also means) accepting the people as a united whole within the boundaries of the state with no conflictual status and class interests among them. Populism sees people as aggregated into a united body of the nation and grants them equal rights and honours. If there are some differences among them, this is a necessary result of occupational division of labour (and has nothing to do with status or class differences)” (Peker, 1984: 54-55).

Thus, the populist principle of the RPP defined citizenship in terms of absolute equality before the law, and rejected any class differences as it rejected cultural differences. The only acceptable basis for difference within the national community was occupational status. Article 2 of the Second Part of the RPP Program specifies this principle: “... the citizens of the nation are not divided into class categories but into occupational groups which fulfill the needs and happiness of the national community altogether. Small farmers, small industrialists, craftsmen, skilled and unskilled labour, large industrialists, landowners and tradesmen make up the Turkish national community. The aim of the party (RPP) is to assure order and solidarity in this community, and guarantee harmony and unity among the interests of these occupational groups in order to reach national unity” (Quoted in Giritlioglu, 1965: 96).

This populist-nationalist discourse underpinned the development of the single party system during the 1930s. This was clearly indicated by Recep Peker, Secretary General of the RPP, in his lectures on the Turkish Revolution (Peker, 1984). In his speech at Ankara University in 1934 Prime Minister Ismet Inonu expressed a similar view: “Individual life should be sacrificed for society.” (Quoted in Melzig, 1944: 190). In the same speech Inonu clearly underlined the primacy of state power over individual liberties: “What is essential for individual happiness is one’s ability to honour the interests of the state.”

In this regime, the RPP was also not independent from government power, which came to mean that the state was the absolute source of power over society. The RPP, as a single party, became the political expression of national unity, as it tried to link different categories of people with different economic-political interests and cultural values into the populist-nationalist discourse of the state.
The Minister of Internal Affairs also functioned as the Secretary General of the RPP while local governors acted as the chairs of local party branches. All citizens of the country were forced to be the members of the party (See: the Circulars of the General Secretary of the RPP n. 369 September, 21, 1934; n. 1227 July 30, 1938; n. 1239 August 13, 1938 Quoted in Atasoy, 1986: 59-62). In addition, the directors and members of the administrative councils of occupational associations were required to be approved by the RPP (Circular of the General Secretary, n. 1240 August 15, 1938). This was a way of keeping the people under state control via the RPP. Those who did not take up membership were accused of inciting opposition and dissidence in the country. One of the Circulars of the General Secretary (n. 262 April 22, 1934) stated that “It is necessary to be watchful against the people who did not take their party membership. From now on, they are expected to be part of the opposition”.

In order to extend party control over village life, “People’s Houses” (Halk Evleri) were established, functioning as party propaganda machines to perpetuate nationalist-populist ideology among the peasants (Karpat, 1959: 207; Atasoy, 1986: 61-66). Attempts to establish other organizations were looked upon with great suspicion by the RPP. Recep Peker insisted on the expansion of party membership in villages as well: “There have been some attempts to establish clubs called the Union of Youth ... If these people who want to organize a Union of Youth in the villages are not party members, it is necessary to insure their membership in the party. If the purpose of such activities is to organize opposition under the cover of Union of Youth clubs, we should be informed about such an attempt ... and the Youth Unions should be eliminated. These people should be encouraged to ... work in the party” (Secret Memo of the General Secretary, n. 345 August 16, 1934 Quoted in Atasoy, 1986: 62). According to Prime Minister Inonu, it was necessary to be united under a strong government to become a powerful nation against the “selfish” expression of diverse policy alternatives (Inonu’s speech on 2 March, 1939 in Kop, 1945: 26; Inonu’s speech on July 5, 1931 in Inonunun Soylev ve demecleri, 1946: 262-269).

According to the designer of RPP ideology, R. Peker, the best way of achieving harmonious relations in society was to unite around the political leader. He explained: “We claim to establish a highly disciplined society which believes and conforms to the rules of its national chiefs” (Peker’s speech in 1933, quoted in Yetkin, 1983: 158). According to Peker, “none of the societies in the world could have
harmonious social relations ... without the authority of a chief ... The nation which is formed by the mass of crowds should be unified around the state, and become one in thinking and behaviour in order to lead to a great independent existence within the fatherland" (Peker, 1984: 63, 48). According to Peker, who became Prime Minister in 1947, the relations between the nation, which he defined as unified crowds of atomized individuals, and the state, were regulated by a leader who imposed militaristic obedience and a strong command structure. The duty of the leader was to establish consensus in national affairs by neutralizing the differences between different interest groups. Inonu was also of the same opinion. He stated that the aim was to “keep state authority safest” (Inonu’s speech, 26 December, 1938, quoted in Kop, 1945: 20-21).

Within the context of the single-party ruling era, which emphasized the formation of a unified society of masses, there was no attempt or ideological inclination toward the establishment of a multi-party system. The concept of “a national security state” was the organizing principle in the political system. The multi-party system was seen as an instrument which would provoke class differences, lead to the expression of different political opinions, and facilitate the rise of Islam as a political force. Hence, it would be destructive to a harmonious unity within the nation.\(^\text{11}\)

5.5. Conclusion

The Kemalist nation-state project emerged out of the tensions which existed between the national and international spaces of the political-military dimensions of power. I have developed my argument by exploring the historical specificity of the Kemalist trajectory within the international conjuncture of the WWI peace settlement - which defined the territorial boundaries of Turkey between 1920 and 1923.

Following the Sevres Peace settlement of 1920, a group of Ottoman bureaucrats organized the War of Independence with the intention of saving both the sultanate and the caliphate. On the other hand, a small group from the same bureaucratic cadres united around the leadership of M. Kemal to found a new state.

The Lausanne Treaty of 1923 and the border settlement between Turkey and Britain (which saw the Mosul

\(^{11}\) Free expression of different opinions was allowed within the party only as long as it was “loyal opposition”. This was the case at the founding of an “independent group” in 1939 from within the party itself (Logoglu, 1971: 66-67; Kili, 1976: 96; Burcak, 1979: 10-13; Atasoy, 1986: 140-142). The “independent group” continued to operate until the establishment of the multi-party political system in 1945. In short, until 1945 “democracy” was understood only within the framework of loyal opposition.
oil fields remain in Iraq) finalized the territorial boundaries of the new state of Turkey.

A distinction between the new state and the Ottoman state was established at the level of ideology. The most important ideological distinction between the former Ottoman social-political arrangement and the new one was established around the existence/non-existence of various cultural communities living within the geographic space of Turkey. Contrary to the political accommodation of different cultural categories in the empire, the Kemalist project constructed a national society by unifying various Muslim cultural categories. It was an attempt to transform the Muslim people by establishing their status as citizens of the state, dissociated from religious, linguistic and other cultural experiences in their daily social life.

Nevertheless, Kemalism was not based on well-defined ideological principles. Islam could have easily been chosen as the defining feature of the nation. As it turned out, secularism was adopted in the course of political struggles over the control of the state, and consolidated by eliminating the opposition. The Kurdish-Naqsbandi revolt of 1925 provided the opportunity. Kemalist control over the state displaced both Islam and other aspects of local culture from the public arena. The break with Islamic thought and practices was specific to its time and place. It imagined a secular cultural unity within the territorial boundaries of the new state.

The nation-making project of M. Kemal was carried out under the guidance of strong state and bureaucratic control. The government was the only dominant force in defining the political and cultural aspects of social life. During the single party era, party (RPP) was equated with the state; the general population, on the other hand, was synonymous with the nation. The security of the state came to mean the security of the party. This, in turn, was equivalent to the security of the nation. The RPP was given a strategic role in the maintenance of this equation between party-state and people-nation. This justified the division between the ruling elite and the masses as the necessary relations of authority. At the same time, it excluded any possibility of opposition against the RPP and prevented the emergence of politics as an arena for power struggles. The exclusionary politics was justified in reference to the alleged inability of the nation to sustain a plurality of ideologies. National politics was defined in a way that did not allow the emergence of any workable theory of opposition.

In the process, Islam lost its political importance and opposition parties were eliminated.
Nevertheless, Islam was not eliminated from social life; it simply continued as a cohesive principle in the locally-lived culture, separate and independent from state-bureaucratic control. The militant secularism of the bureaucratic RPP cadres created the unique conditions for the rise of an Islamic opposition which would unify various elements of local-community culture into a political movement. I will take up this argument in chapter 7 where I discuss the transition to the multi-party regime in 1945.

Kemalism produced a system of oppositions between the state and people. This opposition was expressed in the distinction between the secular nationalism of the state ruling bureaucratic cadres and the popular local cultures. Secular nationalism was modern, progressive and western; popular cultures were reactionary and backward. Having constructed this oppositional space, Kemalism advocated "economic modernization" to integrate it. The task in the following chapter is to discuss the economic development project of Kemalism as a means of integrating the political space of the society.
VI. THE KEMALIST TRAJECTORY AS AN ECONOMIC DEVELOPMENT PROJECT: 

STATISM: 1923-1945

As a first step in creating a national economy, Turkey introduced a new economic formulation for state power in the 1930s - in the form of State Economic Enterprises (SEEs). This undertaking rested on a policy of social-national protection against market forces in organizing the "national economy". This policy alternative was a specific response by Kemalist bureaucrats to the general uncertainties in the world economy during the period from the Great Depression of 1929 to the end of World War II. Examples for such a program were drawn from the socialist Soviet Union and Nazi Germany. Given the lack of private capital, however, Soviet and Italian models, as opposed to the German example of national protectionism, provided more effective examples for the Kemalist bureaucracy in envisaging new state-society linkage in Turkey. In the process of developing its national economic strategy the government eliminated all opposition from the national political process. The bureaucrats' absolute control over the economy-society nexus was thus established.

The Kemalist model was built on the Young Turks legacy of state intervention and protection, with the aim of increasing the number of Muslims engaged in economic activity. This does not imply, however, that during the period between 1923 and 1945 there was only one policy alternative for the Kemalists. In this chapter I examine the shift in policy choice. The Kemalist effort of restructuring capital and classes within the national economic space went through two major shifts. The first period is between 1923 and 1929, the second period covers from 1929 to 1945. During the first period Kemalists tried to re-establish the pre-war system of an open/liberal market economy. The Lausanne peace settlement provided the political-military context for the continuation of this policy. During the late 1920s Kemalists designed a "statist" economic model to define the national economic development trajectory of Turkey. It was a response to the relative isolation of the Turkish economy within the uncertainties of the political and economic organization of international economic relations. World economic conditions during the Great Depression helped its consolidation in the 1930s.

In the following pages, I trace the formulation of the Kemalist trajectory by examining, first, its
relation to the economic sanctions of the Lausanne Treaty of 1923, and, second, by considering its relation to the world economic conditions of the Great Depression. I argue that the economic policy goal of the first period was to create and strengthen a Muslim-Turkish private commercial and industrial class in national economic activity. The goal during the second period was to consolidate the economic dominance of bureaucratic cadres, particularly in industry. Finally, I link the consolidation of the Kemalist trajectory to the economic uncertainties in the organization of the world economy during the years of World War II. Special attention will be given to the growing economic concerns of private capital interests and the increasing discontent of the peasants with RPP policies.


Before WWI, export-oriented commercial activity was undertaken mostly by Greek and Armenian farmers and merchants. With their departure during and after the War, Turkey lost most of its commercial class. In fact, as Keyder has pointed out (1987: 79), there was no bourgeois class left to challenge the bureaucracy. During the war years between 1914 and 1922 Turkey lost 18 per cent of its Muslim-Turkish population. According to the 1927 census, the population of Turkey was less than 14 million. The non-Muslim population had also declined drastically. As a result of the population exchange agreement between Greece and Turkey 1,200,000 Greek Christians left Turkey (Keyder, 1981: 22). In addition, a substantial proportion of the Armenian Christian population perished; due to killings, expulsion and compulsory migration (especially to Syria). Only one-sixth of the non-Muslim population remained in Turkey after the war.

The economic policy goal of the Kemalist nationalists was twofold: to build a “national economy”, and to make Muslim-Turkish commercial and industrial classes dominant in it. This goal was developed in line with the war time economic policies of the Young Turk government. The position of the Kemalists was that the open market economy model resulted in the transfer of agricultural economic surplus from the Ottoman Empire to the Western “imperialist” zones - a process which was facilitated by non-Muslim merchants. This critique of a market economy model was developed at the Economic Congress held in Izmir from February 17 to March 4 1923. At the Izmir Economic Congress it was declared that national
sovereignty and independence were to be understood as national economic sovereignty (Okcun, 1968). M. Kemal insisted on the freedom of the government to impose protective tariffs against European products. Industrialization was viewed as a vital component of national economic sovereignty (Okcun, 1968).

Even though the meaning of "national economy" was not clearly defined at the Congress, the arguments of the Congress participants came close to S. Amin's definition of the concept. S. Amin defined "national economy" as the articulation between the capacity to produce and the capacity to consume in the national space (Amin, 1976: 72-78). It was clearly observed at the Izmir Congress that both the landed and industrial capital of Muslim-Turkish origin were too weak to be the driving force in this project. At the same time, Turkey had lost non-Muslim commercial farmers and merchants during the war years. Moreover, Kemalists were missing two crucial elements needed to articulate a national economy: a well-organized domestic market and a credit distribution system. The dominant form of agricultural production was household production, producing for family subsistence needs. The government lacked the exporting segments of the economy as it lacked producers for the internal market. The main focus of the Congress, therefore, was on the organization of an internal market through the creation of market-oriented agricultural producers. The Congress insisted on an increased role for the state in its efforts to encourage export-oriented economic activity. This activity was to be undertaken by Muslim-Turkish agriculturalists (Okcun, 1968).

At the Congress, Kemalists identified the economic problems of the Ottoman Empire with the open market economy model. Nevertheless, they did not develop an ideological orientation toward autocentric development. Breaking from the market model was not in the political agenda. There were two reasons for this: 1- Kemalists were aware that the economic sanctions of the Lausanne Treaty of 1923 had been imposed on the government to maintain the Ottoman market-oriented trade regime until 1928. 2- The WWI settlement had provided a sense of stability in the balance of power system and hence in the restoration of the nineteenth century system of exchange relations. The economic policy choice of the government reflected a sense of confidence in the restoration of open market relations in the world economy as framed by the Treaty of Lausanne. At Lausanne, the possibility of protectionism was ruled out. Turkey was to adopt the Ottoman import regime as determined in 1916. This regime encouraged imports to
remain unchanged until 1928. Government policies, following the recommendations of the Izmir Economic Congress and consistent with the Lausanne Treaty, focused on growth in agricultural production for export.

The government was to organize the internal market according to the international system of exchange relations which was restored by the WWI settlement. Thus, an export-oriented agricultural development model was adopted, and the government undertook to encourage the growth and strength of Muslim-Turkish cash crop producers and merchants. As a first step in that direction, the government appropriated property left by Greek and Armenian Christians and sold it to native-born or immigrant Muslims. For example, Keyder (1981: 23) has calculated that “about one sixth of the cultivable land in Western Anatolia was abandoned by the departing Greeks, even with the conservative assumption that their holdings were, on average, the same size as Turkish farmers’ holdings. ... this sixth was found in the more fertile, commercialized areas growing main export crops such as raisins and tobacco.”

Some other policies included government support for tractor purchases, the supply of fertilizers and other agricultural inputs. In the case of tractors, there were only 3 Fordson tractors in the cotton producing region of Adana in 1922; the use of Fordson tractors had risen to 25 in 1923, and 100 by 1924. German steam tractors were also introduced to increase production output (The Economist, April 11, 1925). At the beginning of the 1930s the number of tractors had reached 2,000, up from 220 in 1924 (Tezel, 1982: 374). In 1925 a Manchester firm built a large ginnery near Adana to cut down on the cost of cleaning cotton and increase the volume of trade (The Economist, November 7, 1925). In the Adana region cotton production was 11,000 bales in 1924 and it reached about 30,000 bales in 1925 (The Economist, April, 11, 1925).

Self-sufficiency in food production, and wheat production in particular, was of the highest priority. Government policy was directed towards shifting the production of peasants from household subsistence needs to producing for internal markets. Small agricultural producers were dominant in grain production. About 90 per cent of agricultural production was in grain, most of which was consumed by producing family members. Given the lack of transportation networks linking the hinterland to urban centres, whatever grain remained after family subsistence needs was sold at the local markets, rather than distant urban markets of the country (Tekeli and Ilhan, 1977: 37-38). It was this segment of the small producers on
which the government based its wheat policy in the 1930s.

Railway construction was a crucial element in the economic policy of Kemalist nationalists in their efforts to organize an internal market. They gave primary importance to the building of railway for the purpose of integrating the various segments of the Turkish economy. The largest part of the existing railway network was concentrated in Western Anatolia, covering a distance of 4,240 kilometres. Being foreign owned, as a result of railway concessions given by the Ottoman state, the network was designed to supply Turkish raw materials for Western European consumption, and to provide Western manufactured goods for the consumption needs of the Western Anatolian wealthy classes. The transportation network between the grain producing regions of Anatolia and consuming cities was so poorly developed that imported grain was cheaper than grain produced in Anatolia. For example, “the cost of transporting one tonne of wheat from Central Anatolia to Istanbul in 1924 was $8.8 whereas it was only $5 from New York to Istanbul; hence it seemed more rational to feed the population of Istanbul from Iowa than Ankara and Konya” (Boratav, 1981: 165). Turkey was importing wheat and flour in the amount of 12 million Turkish Liras in 1923 and 19 million each in 1924 and 1925 (Mackie, 1939: 445-446). In 1925 these imports accounted for about 20% of total imported goods (Birtek and Keyder, 1975: 451). The government railroad construction policy was, therefore, to decrease wheat imports by linking small producers to internal markets.

The abolition of the tithe tax in 1925 (tax paid in kind) was another measure taken by Kemalist nationalists in their effort to organize an internal market. The aim here was to commercialize the small-producing segment of farmers. Before the tithe was abolished, small-producers constituted the largest tax-paying category. Taxes extracted from them accounted for 28.6% of state revenue in 1924 (Hershlag, 1968: 45). This taxation system placed a heavy burden on both small and large producers while at the same time it prevented their market integration. Large producers, who were strongly represented at the Izmir Economic Congress, pressured the government to abolish the tithe tax, and the government did eliminate it in 1925. The elimination of the tithe helped transform the agricultural production of small farmers from household subsistence requirements to production directly for the market, since they needed cash money to pay their taxes. It also provided an incentive for the export-oriented economic activities of large farmers.
The government intended to accomplish two things: 1- increase food production for internal consumption by linking small producers to internal markets; and 2- increase export earnings by integrating large farmers into world markets. This project was linked to a government policy of creating a group of merchants of Muslim-Turkish origin for the purpose of acting as an intermediary category in the economy. These merchants were going to provide the market linkage for small producers.

Although the abolition of the tithe tax meant a substantial loss in government revenue (28.6%), it was hoped that it would increase Turkey's comparative advantage in the production of agricultural commercial crops. Large landowners integrated their commercial products of tobacco, raisins, cotton, and angora wool, into Western European markets. Turkey's exports were purchased by England, France and Germany. Thus, large farmers increased their relative economic and political significance until the 1929 World Depression.

All these policy initiatives in relation to the growth of agricultural production and market integration of small producers were designed to consolidate the economic integration of Turkey into the world economy as an agricultural state. This policy was in accordance with the Lausanne Treaty which required the continuation of the Ottoman trade regime of export-oriented agricultural production in Turkey.

Under this trade regime, the goal of Kemalist nationalists was to use export earnings from agriculture in the development of consumer goods producing industry. Export earnings from agricultural production were to be used to purchase industrial inputs and machinery. The imports of industrial inputs and machinery increased from 24% to 35% during the period between 1924 and 1929, while textile, food, and other consumer goods imports declined from 66% in 1924 to 51% in 1929 (Tezel, 1982: 107).

In the case of cotton, total production in Turkey by 1927 was 180,000 bales, and only about 40% of this was exported. In 1928 the volume of exports decreased by 8% (Keyder, 1981: 40) due to increased production of consumer goods. Textile imports declined 6% from 35% in 1924 to 29% in 1927 (Tezel, 1982: 109). The same trend of import substitution of consumer goods continued in the 1930s. Total consumer goods imports declined from 42% in 1930 to 22% in 1938; intermediary industrial goods imports increased during the same time period from 33% to 40%, and machinery and automobile imports increased from 10% to 23% (Tezel, 1982: 110).
In addition to agricultural export earnings, the government also decided to attract foreign capital. Even though the nationalist rhetoric was about the creation of an autocratic economy, it was made clear at the Izmir Economic Congress that the government was not against foreign capital and was in fact prepared to grant guarantees for investors in industry and commerce. For example, in 1923 a concession was granted to an American capital group under the leadership of Admiral Chester. This agreement granted monopoly rights to American merchants for the importation of agricultural machinery, in return for the inflow of about 400 million Turkish Liras worth of American capital in the construction of railways and sea-trading ports. The construction of 4400 km of railways would also be carried out by this capital group to link Mosul oil to the Black Sea and Mediterranean trading ports. This was in return for monopoly rights for American capital over the mining industry, including oil exploration within a zone of 20 km on each side of the railway lines for a period of 99 years (Tezel, 1982: 175). However, after it was decided by the League of Nations in 1925 that Mosul would remain in Iraq, and after Standard Oil established its dominance over Mosul oil, the Chester group was dissolved and these agreements were not realized.

Nationalists wanted to encourage foreign capital investment in the form of joint ventures. About a third of the companies set up between 1920 and 1930 were joint ventures with foreign capital. The aim was to replace the capital lost from the departed Christian manufacturing and commercial groups with foreign capital, while fostering the growth of Muslim-Turkish capitalists who would then become the engines of economic development. This policy intended to reverse the trend dominant until the mid 1920s of foreign capital controlling railway companies, banks, and commercial enterprises, but not being interested in industrial investment. In 1924, for example, the share of foreign capital in industrial enterprise was only 12% as compared to 58% in commercial companies and banks (Hershlag, 1968: 40). German capital constituted a 45.4 per cent share in total foreign capital.

This strategy of linking foreign capital with Turkish-Muslim capital groups was adopted with a special emphasis given to tobacco and cotton production and exports. Foreign merchants purchased exported Turkish products such as tobacco, cotton, hazelnuts and olive oil, mixed them with low quality local produce and re-exported them. At least five sixths of tobacco exported to Trieste was processed there and re-exported (Woods, 1928: 14). The departed Christian merchants (especially the Greeks, who
established close relations with foreign capital as an intermediary during the Ottoman empire) played a key role in the establishment of this two-tier trading system. 53% of all tobacco exports were directed to the sea-port of Trieste and 90% of these exports were then re-exported to Germany, the United States and Austria, mostly by Italian merchants (Tezel, 1982: 179). With the involvement of Italian merchant capital a two-tier trade pattern was established to dominate not only Turkish exports but production as well. The Italian share in Turkish exports reached 27% in 1927.

The world economic position of the new state in Turkey was determined by this two-tier trade structure. Turkey was to be specialized as a food and industrial crops producing state with the intention of also establishing consumer goods producing industries. The government began to organize many Turkish stock companies in joint ventures with foreign capital. These companies were called Turkish Joint Stock Companies (Turk Anonim Sirketleri). The policy here was to foster a Turkish-Muslim industrial bourgeoisie with the help of foreign capital. Between 1920 and 1930, 201 Turkish Joint Stock Companies were established, 66 of which were financed mostly by foreign capital. The aggregate capital of these companies was about 73 million Turkish Liras, 43 per cent of which was foreign capital (Okcun, 1971). These companies were particularly strong in textiles, food production and the cement industries, as well as electricity production.

The Turkish Joint Stock Companies exemplified a different kind of involvement of foreign capital in Turkey’s economy. They were designed to be the means of state regulation of foreign direct investment. Given the absence of politically and economically strong national capital groups capable of constructing the political milieu, state policy vis-a-vis foreign capital was shaped by the civil-military bureaucratic cadre. Many reputable deputies and high level state bureaucrats participated in the founding of numerous Turkish Joint Stock Companies. For example, the Turkish matches company was established in 1925 as a joint venture, with a Belgium firm having 51 per cent of its capital share. Among the share holders of the company were Prime Minister Ismet Inonu (with 200 shares of stock), Finance Minister Celal Bayar and deputy Cemal Husnu who was also involved in the Chester concession (Boratav, 1982: 21).

The establishment of the Business Bank (Is Bankasi) in August 1924 also played an important role in fostering Muslim-Turkish merchants and industrialists in their joint ventures with foreign capital. The
Business Bank was founded to organize the long-term credit requirements of Turkish merchants and industrialists. Gradually the bank began to act in an investment capacity and entered into investment activities in the construction of a railway system, the lumber industry, coal production, sugar, textiles and glass industries. The Bank also played an important role in developing exports and established export firms abroad (Hershlag, 1968: 90-91).

The Business Bank was founded by M. Kemal himself on the advice of his father-in-law, a prominent Izmir businessman. It was founded as a semi-official bank and consequently was often described as the “Bank of politicians” (Boratav, 1981: 169). Its shares were purchased by reputable deputies as well as merchants. The director of the bank was the minister of the economy, C. Bayar. The Bank’s primary function was to break down the role of foreign banks in finance capital. It succeeded in reducing the share of foreign banks in total credit capital from 53 per cent in 1924 to 12 per cent in 1950 (Tezel, 1982: 113).

The founding of the Business Bank in 1924 signifies a departure in the nature of banking activities inherited from the Ottoman Empire. Until 1924 banks were foreign owned and had mostly undertaken commercial activities and related infrastructural investment. The British and French owned Ottoman Bank and German Deutsche Bank were active in finance. They had taken an active role in the expansion of trade with Britain, France and Germany. For example, the Italian Banco di Roma was the financier of the Italian cotton trading company (Keyder, 1981: 101-105). After the founding of the Business Bank, foreign capital was encouraged to invest primarily in the manufacturing sector.

In summary, the Kemalist economic strategy during the 1920s was, primarily, an export-oriented agricultural development strategy. Under the conditions of falling agricultural prices in the world economy, this policy was to face a basic contradiction. Agricultural export earnings began to decline from 1926 - one of the reasons being that European markets were saturated by agricultural products coming from California and the colonies of Britain and France. For example, tobacco, the most important export item of Turkey lost its share in European markets. The real decline was not in the volume of Turkey’s exports, but in the prices of its export items. The prices of Turkey’s export items declined between 60 and 75 per cent during the depression years (Tekeli and Ilhan, 1977: 85). This caused a decline both in export earnings and in the inflow of foreign bank credits. Tobacco earnings were used as a guarantee that Turkey could pay back its
foreign debts. However, with the drastic fall in prices, tobacco could not be used effectively as security for foreign debts. Taken together, the decline in a foreign credit supply and the drop in the value of agricultural exports resulted in Turkey's reduced ability to import industrial inputs.

With the significance attached to economic independence and sovereignty, Kemalists saw the central contradiction in the Turkish economy as one of imbalance between the capacity to produce and capacity to consume. The formula for national economic development consisted of the resolution of this contradiction through the organization of an autocentric national economy. Kemalists shifted the economic policy of the 1920s which consisted of the creation of private commercial and industrial classes and the encouragement of foreign capital in investment. During the 1930s the government assumed greater bureaucratic involvement in investment activities, and placed great emphasis on domestic industrialization through a policy of protectionism. Given the lack of private accumulation on a large scale, the particular response of Turkey to the conditions of falling prices in the world economy was in the form of "statist" industrialization.

The formulation of this model coincided with a period during which the secular reforms of M. Kemal were being implemented. Thus, the statist economic model established the political economy of M. Kemal's nationhood project. The idealized notion of national economic development in terms of a balance between capacity to produce and capacity to consume was derived from the ideological virtues of nationalism. The emphasis was on national independence and sovereignty. Even though Kemalist bureaucrats encouraged foreign investment during the 1920s, they were greatly suspicious of anything involving a policy compromise with foreign capital (Gunce, 1967). This suspicion took a political shape during the 1930s in the form of authoritarian state control of society, which continued into the end of World War II. In the following section, I will analyze the Kemalist state protectionist model of the economy by including an assessment of the Great Depression in the world economy. I will first look at the immediate policy response of the government to the Great Depression.

6.2. The Protective Response to the Great Depression: 1929 and the 1930s

Under conditions of depression, the government decided to introduce a program to change the
structure of the economy. The structural cause of Turkey's difficulties in pursuing an industrialization strategy was identified with the absence of private industrial capital on a large scale. Therefore, a law relating to the encouragement of private industry was legislated in 1927. This law indicated that the state was willing to provide all necessary incentives for the creation of a Muslim-Turkish industrial bourgeoisie - "national" class in essence (Boratav, 1982: 86-89).

The other policy measure was to legislate a protective custom regime. The Lausanne Treaty allowed Turkey to operate its imports with a 15 per cent protection rate. Nationalists decided to take control of the monopolies, with the aim of decreasing the imports of consumer goods by producing them inside the country. At the end of the 1920's, the government began to control the monopolies of tobacco, salt, alcohol and spirits, matches, sugar, oil and gasoline. Government revenues from the monopolies reached 46.8 million liras in 1929, which constituted approximately 23% of total government income (Hershlag, 1968: 57). With the end of the Lausanne customs sanctions in 1928, the government increased its custom duties up to 25 per cent in 1929 (Tekeli and Ilhan, 1977: 70). It also legislated a higher pricing policy for imported items.

Another shift in policy is related to money. Turkey inherited gold money from the Ottoman Empire as the main unit in circulation. However, there was two different types of money used in Turkey: gold and paper money. Paper money was used mostly in the Western provinces while gold was dominant in the rest of the country. During the war years (WWI), the Ottoman government had printed some paper money. Only a small portion of it was convertible to gold; the rest had value in relation to German state bonds. When Germany submitted its claim over the Ottoman debt to the Allied powers as part of its war indemnities with the Versailles Treaty, Turkish money lost its value because it did not represent gold. That is, money circulating in Turkey was not convertible. Its value fluctuated in relation to changes in external trade balances and trade deficits. Even though its value dropped only 5 per cent in 1929 (Tekeli and Ilkin, 1981), this fluctuation alarmed the government. As a result, a law on the Protection of the Value of Turkish Money was legislated in 1930.

For the stabilization of Turkish money, the government needed to increase its export earnings or to receive foreign capital. Since neither of these options were open, the government decided to stop its
payments on the Ottoman debt in 1930. At Lausanne Turkey had not been forced to pay war reparation money; it was supposed to pay Ottoman debts. An agreement on the payment of Ottoman debts reached in 1928 between the Turkish government and the Ottoman Debt Administration, for which the League of Nations was the broker. With this agreement Turkey had undertaken to pay two thirds of the Ottoman debt which equalled to 84,597,495 gold lira; with the addition of interest, Turkey was to pay 107,528,461 gold lira beginning in 1929 (Herslag, 1968: 21-23). This agreement was concluded with the understanding that Turkey reserved the right to stop payment if the value of Turkish money declined. When the value of money declined in 1929, Turkey stopped its payment in 1930 and did not pay its share of the Ottoman debt until 1933.

As part of restoring the value of money in circulation, the government decided to increase agricultural exports and discourage the consumption of imported products. This policy worked to the disadvantage of importers while exporters benefited. Imports declined in 1933 to one-third of their 1928 level. There was a decline in the share of consumer goods from 52 per cent of imports in 1928 to 25 per cent during the late 1930s (Keyder, 1987: 102). In a related policy move the price levels of imported items were increased to decrease their consumption. For example, the world market price of sugar had fallen by 60 per cent during the period between 1929 and 1935. The price of imported sugar in Turkey decreased only between 19.3 and 27.3 per cent in Turkey (Tekeli and Ilhan, 1977: 85). The reason for keeping their prices higher than world market levels was to decrease their domestic consumption. But the price of Turkish agricultural products was allowed to fall in the internal markets in correspondence to their world market value (the price for Turkish export items had fallen by 60 and 75 per cents in the world market). The government was trying to increase its export earnings by increasing their exports through a lower price policy. As a result, Turkey increased its exports by 40 per cent (Tekeli and Ilhan, 1977: 89).

In addition to pricing policy, the government also brought the regulation of external trade under strict bureaucratic control. The Office for External Trade, instituted in 1934, tied imports to individual

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quotas and made bartering and clearing arrangements important in external trade (Kepenek, 1984: 79-80). With this arrangement, bureaucratic involvement in foreign trade became important, and importers were left to the good grace of government bureaucrats. The government preferred large export-oriented traders, at the expense of the small-retail sector. As a result Turkey’s foreign trade experienced an export surplus during the period between 1933 and 1938 (Kepenek, 1984: 80). Bilateral trade agreements with Germany, which promoted wheat exports, were instrumental in the export surplus increase.

Such a pricing policy encouraged an increase in exports and a decrease in the consumption of imported consumer goods, thus, assisting in the stabilization of the value of money. This policy discriminated against the importers. It was also disadvantageous for agricultural producers. The most disadvantaged group was small producing family farmers, but large farmers producing for the markets were also adversely affected. The government did not develop a policy to protect prices in agriculture, and, therefore, allowed the welfare of agricultural producers to deteriorate. Wheat prices, for example, were allowed to decline in correspondence to a fall in world prices while the price of imported goods was kept higher (Hatipoglu, 1936: 52). Peasants had to pay about 8 kilos of wheat to buy a kilo of sugar in 1931 while they were paying 3 kilos of wheat to buy the same amount of sugar in 1929 (Hatipoglu, 1936: 57). Discrimination against farmers was mediated by the government’s pricing policy. The discriminatory policies of government were also applied to the price of industrial inputs in agriculture. These prices were kept higher than their world market levels. The purpose was to restrict their use with the intention of keeping agricultural prices low. However, the level of agricultural taxes, to be paid in cash, remained high. Agricultural mechanization which began during the 1920s was thus interrupted. The government decided to encourage the use of animal power in agriculture in order to restrict the use of imported oil and machinery.

6.3. Authoritarian State Protectionism in Industry: The 1930s and 1940s.

The Kemalist nation-building project was part of the specific development trajectory of the 1930s – developed as a response to the Great Depression. National economic protection was the formula used in

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2 Even though it was published in 1936, this book is still the best available source on the effects of the crisis on the peasantry and its mediation through government pricing and taxation policies.
many countries to foster private capital groups operating exclusively within the national territorial boundaries. This form of economic activity was not unique to newly formed national states, but was also experienced in Western European economies. With the fall of the gold standard there was no international mechanism to provide a link between various countries in the world economy. The absence of stable exchanges and an international credit organization, as well as a currency crisis, characterized the Great Depression during the late 1920s and 1930s. The response of governments to the Great Depression was to launch nationalist protective models and drop out of the world economy. National socialism in Germany, fascism in Italy, the New Deal in the U.S and five year plans in the Soviet Union were all examples of social protection policy (Polanyi, 1944). The Kemalist trajectory was part of this pattern of statist-nationalist protectionism and sought to achieve an articulated economy by state intervention.

The strategy defined as “statism” (devletcilik in Turkish) called for the state to be the major actor in production and investment. State intervention in the economy was not an invention of M. Kemal’s; it was tried during WWI by the Young Turk government. Statism of the 1930s was essentially the continuation of Ottoman wartime economic policy. The fundamental features of this policy were developed to encourage the growth of private Turkish-Muslim industrial capital by leading the way and by carrying out economic ventures where the private sector was too weak to carry them out for itself.

Statism was incorporated into M. Kemal’s party, the RPP, program in 1931. State protectionism developed as a response to the conditions imposed by the Great Depression; nevertheless, this response was not unique to Turkey. The significant point here is that state protectionist policies were directed at building an industrial economy in Turkey, even though the term statism was not a well-defined concept. Nationalist intellectuals of the period (Kadro intellectuals) considered state protection as an independent and autonomous strategy for the constitution of an industrial economy in Turkey. C. Bayar, former finance minister and the director of the Business Bank, claimed that statism was supposed to bolster private enterprise. S. Saracoglu, Prime Minister from 1942 to 1946, defined statism as an “advanced form of socialism” (Karpät, 1959: 70). Nonetheless, M. Kemal and his close associates believed in the eventual creation of industrial private capital via state regulation. In the process both the private and public-bureaucratic industrial capital groups benefited.
For the development of industry, the stabilization of currency was the primary concern of the government. The Central Bank was instituted in 1930 as a national bank to protect the external value of the Turkish Lira as a medium of trade and credit supply for investment (Tekeli and Ilkin, 1981). The establishment of the Central Bank ended the British-French owned Ottoman Bank’s monopoly in issuing currency and controlling foreign exchange. The Central Bank was conceived primarily as an instrument of control over transactions in foreign currency rather than a means for implementing substantive economic policy (Keyder, 1987: 97). In the government’s balancing act between credit supply, foreign exchange and payments the Central Bank was instrumental. With the Central Bank’s control of credits, credit supply from state banks to commerce and industrial private activity increased from 28% in 1930 to 32% in 1935 and 40% in 1938 (Tezel, 1982: 226).

There was already a Law for the Encouragement of Industry, enacted in 1927. The Law’s impact was felt after 1930 when it was coupled with protectionist policies against consumer goods imports. In 1931 the government adopted a quota system that allowed the import of raw materials as inputs for industry to be exempted from quotas. Exemption from raw material imports benefited large industrialists. The number of private firms which benefited from the Law decreased from 1473 in 1932 to 1052 in 1941 (Kepenek, 1984: 77). With amendments to the Law for the Encouragement of Industry, the development of small and medium scale private industrial capital was curbed. Nevertheless, the Law was beneficial in increasing the scale of industrial firms. In 1939 those firms benefiting from official encouragement employed one-quarter of all industrial workers (Keyder, 1987: 103). The most significant example for the development of large scale private industry was in textile manufacturing. Toward the end of the 1930s, 80 per cent of textile consumption was met by domestic production, carried out by both state and large private industrial firms (Herslag, 1968: 101-102).

Despite the fact that the scale of private industrial firms increased, the statist period witnessed a retrenchment in the general activities of private industrialists (Singer, 1977: 48). From the early 1930s, the government began to bring the economic and political spheres of social life under its control. By 1938, more than 50% of industrial enterprises turned out to be state owned (Mardin, 1980: 39). That is to say, state bureaucrats who were involved in state economic activities and large industrialists were the
beneficiaries of statist policies.

The Bank of Industry and Mines was established directly by the government in 1925 to supply credits for state-owned industries (Silier, 1975: 493). This bank was later replaced by the State Office of Industry (Devlet Sanayi Ofisi) and the State Industrial Credit Bank (Devlet Sanayi Kredi Bankasi), which were established during the 1930s. These banks were founded to provide credit to state economic enterprises only (Berberoglu, 1982: 37). Nevertheless, the government continued to encourage banks to supply credits for large private industry.

Bureaucrats were the greatest beneficiaries of statist policies. The coalition between bureaucrats and large industrialists was closely tied to an ideology of economic self-sufficiency. Given the absence of private industrial and commercial capital on a large scale, the socialist Soviet Union and fascist Italy were seen as useful examples, while Nazi Germany provided the main source of ideological influence. Technical and financial assistance for implementing a statist industrialization strategy came from the Soviet Union. Fascist Italy provided examples for the legal framework of nationalist ideology. In 1936 a labour law based on a 1935 Italian labour law was accepted (Yetkin, 1983: 102). Workers were not permitted to form unions or strike. They were told to live in harmony in a society in which their interests would be looked after by the state - a state to be organized on the principle of national unity. The Soviet Union actively supported the establishment of state economic enterprises and state planning in the economy. The First and Second Five Year Industrial Development Plans during the 1930s were similar to those already implemented in the Soviet Union.

In May 1932, the then Prime Minister Ismet Inonu and the Minister of External Affairs visited the Soviet Union and negotiated an interest free 20 year loan. The loan Turkish delegates obtained was equivalent to $8,000,000 U.S. It was to finance the First Five Year Plan (Beloff, 1949: 41), which was designed for the development of consumer goods producing industries. Turkey utilized this loan to purchase machinery and other industrial equipment. The Turkish government chose to use these funds for building two additional sugar refineries and textile mills in Kayseri.

The Soviet Union established the “Turkstroj” agency, which was involved in expanding economic

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3 For the influence of the Nazi Germany on the developments of the period see: Kocak, 1986.
relations between the Soviet Union and Turkey. On April 1, 1935 the Turkstroj agency concluded an agreement with the state owned Sumer Bank regarding the establishment of textile mills in Nazilli. Workers selected for new textile ventures went to the Soviet Union for training, while Russian experts arrived in Turkey (Hershlag, 1968: 64). The Sumer Bank became the sole representative of the state initiative in the consumer goods producing industries.

With the technical and financial assistance of the Soviet Union, the state owned industrial enterprises excelled. This was justified by the ideology of national solidarity which denied the existence of conflicting class interests. This was clearly expressed in the following view of an Kadro intellectual: “There is no mechanism which has been invented to prevent class struggles in countries where the role of private enterprise in the economy is dominant. Therefore, statism is the mandatory requirement for Turkey’s industrialization in order to not give way to class conflicts” (V. Nedim, Kadro, 1933. N. 14). The statism of the period was to consolidate bureaucratic control of the economy while preventing the emergence of powerful private capital groups in competition with the bureaucrats.

After the loan agreement with the Soviet Union a group of Soviet experts headed by Prof. Orlof came to Turkey in 1932. The Orlof mission was aimed at preparing the Second Five Year Programme as well as participating in the implementation of the First Five Year Industrial Plan (Kuruc, 1970: 19). The Second Five Year Plan was designed for investment in heavy industry. The Government established the Eti Bank and the Institute for Mineral Research and Exploration on June 14, 1935. This Institute was directed by Russian specialists. The Second Five Year Plan dealt with the development of major industrial sectors such as mining, electricity development, the fuel industry, chemical industry and engineering industry. The estimated cost of the plan was approximately 112 million Turkish Liras (Hershlag, 1968: 82). For the technical and financial assistance in the execution of this plan the Soviet Union was still of primary importance, especially in building the electricity networks (Mackie, 1939: 451-452).

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4Turkey also negotiated a loan agreement of D.M.150 million with Germany in 1938 (Kutay, 1938: 1710). The agreement was contracted in 1939. However, it was not materialized due to the outbreak of the war (Hershlag, 1968: 94). Turkey also negotiated with Britain for a loan agreement, whose strategic interest was to curb the growing German influence in Turkey. Even though the Mosul oil dispute strained Turkish-British relations, Turkey negotiated its geopolitical importance in the light of growing international tension prior to the WWI. With the Turkish-British agreement in London on May 27, 1938, Turkey received two loans from Britain, one L3 million and the other L10 million. These loans were contracted for an iron and steel mill at Karabuk, to be contracted by the London firm H.A.
Statism was also pursued in the small producing segment of agriculture. Combined with the government's low agricultural price policy, control over the marketization of agricultural produce was necessary for sustaining the low industrial wages and for increasing low-priced wheat exports. Real wages declined 25 per cent between 1934 and 1938, and another 40 per cent between 1938 and 1943 (the cost of living went up by 247 per cent while wages increased by only 114 per cent) (Keyder, 1987: 104-105). The low wage policy was tightly linked to state control over the food supply. The first act of state intervention in peasant agriculture involved the establishment of "The Central Office for Soil Produce" in 1932 (TMO, Toprak Mahsulleri Ofisi in Turkish). The TMO was formed in association with the Agricultural Bank. Its goal was to purchase and market wheat. This institution was later transferred to the Ministry of Economy. Its functions were extended in 1939 to the purchase and marketing of barley, oats, and additional produce. The Agricultural Bank provided TMO with the capital, which stood at 17m. Turkish Liras in 1938 (Herslag, 1968: 109).

While the TMO engaged in activities directed toward the market integration of small grain producing farmers, a new policy called the co-operatization movement, similar to collectivization in the Soviet Union, was also put into effect. The co-operatization of small producers was primarily motivated by the government's desire to extend its nationalist ideology into the countryside. The first initiative was to establish credit co-operatives in agriculture. By the end of 1932, 577 credit co-operatives had been put into operation under the control of the Agricultural Bank. The purpose of the credit co-operatives was to integrate small producers into the market through which the etatist industrialization program would be financed. The motivation behind this program was to break the merchants financial and political control over the peasants (Hershlag, 1968: 110). In addition, the law for the establishment of regional agricultural combines, (zirai kombinalar), was legislated in 1937 (Ergil, 1975: 479). This legislation proposed to concentrate rural settlements around "center" villages, which the government would supply with all necessary infrastructural and social services. During the late 1930s about 1,000 agricultural combines were established. However, during WWII, these combines were transferred into state farms.

Brassert and Co. (Kutay, 1938: 1537). The second loan was part of a total loan of L16 million, L6 million of which was granted for the purchase of military equipment (Hershlag, 1968: 94).
During the period between the 1930s and 1940s, small producing farmers in agriculture were left with the burden of financing the industrialization project of the bureaucracy. In that project, prices for agricultural produce were kept low while all other prices and taxes went up. During WWII especially the peasantry was subject to the compulsory labour, compulsory crop contributions, and the confiscation of animals and household utensils (Pamuk, 1988). The National Defense Law legislated in 1940 established obligatory paid work for both small producing peasants and wage workers (though wages were controlled) in mines, road construction and industries. In 1944, with an amendment to the National Security Law, compulsory work was imposed as a national duty comparable to military service and security forces were authorized to force the return of workers who left their workplace (Bianchi, 1984: 121). The peasantry and working class were subject to the National Defense Law. This was in addition to the previous Labour Law of 1936 and the association Law of 1938 which totally denied the existence of classes and the establishment of class-based organizations.

With the exception of large industrialists, all segments of private capital, including farmers and especially small producers, commercial groups, and small and medium size manufacturers began to estrange themselves from the bureaucrats and the ruling party. However, with the development of the black market under the war time inflationary conditions of the economy, merchants began to accumulate capital. Between 1939 and 1944, import prices increased 189 per cent (Tezel, 1982: 234). Merchants and state industrial firms made huge profits while the competition between private and public sector industries increased. As a result, private capital restrained its investment activity. In sugar production, for example, industrialists responded by limiting their investments, yet they drew big profits from sugar imports in their capacity as merchants (Aydemir, 1983: 460-461).

The merchant accumulation of capital was not under bureaucratic control. Combined with other segments of large private capital groups, the share of taxes paid by the merchants profiting from the wartime inflationary economy was not more than 14 per cent of the total tax (Singer, 1977: 64). With the war-

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5 A large proportion of the population was made up of peasants (83 per cent in 1945).

6 Members of the wage earning class totalled 301,300 in large factories and about twice as many in agriculture and small industry (Karpat, 1959: 109).
time inflation rate (350 per cent), both urban and agricultural incomes of wage earners, small producing peasants, manufacturers, and bureaucrats declined. The government’s response to private capital accumulation outside the sphere controlled by bureaucrats was the legislation of the Capital Tax, (Varlik Vergisi) in 1942. The Capital Tax was the outcome of statist ideology, designed to prevent private capital from being stronger than state economic power. The purpose of this law was to extract surplus from three main sources: large landowners, the private manufacturing bourgeoisie, and building owners/real estate brokers (Singer, 1977: 64; Tezel, 1982: 283; Karpat, 1957: 80; Boratav, 1982: 257). The Capital Tax was particularly discriminatory against the non-Muslim minority private capital groups of Greek, Armenian and Jewish origin operating in Istanbul. It was also imposed on foreign merchants (Avcioglu, 1978: 475).

The tax was designed to extract surplus from those who acquired wealth during the war years (Karpat, 1957: 115). The expected state revenue from the Capital Tax was 465 million Turkish Liras. 315 million of this amount was to be collected in Istanbul. The share from minorities was to be 280 million Liras (Avcioglu, 1978: 476). The purpose of imposing harsh taxation on minorities was twofold: 1- to reduce the minority’s economic power; 2- to strengthen state manufacturing capital in the SEEs vis-a-vis private capital. Actually, capital taxation was the outcome of Kemalist nationalism, which tried to build a Turkish-Muslim dominated national economy.

The tax was imposed in such a way that those who could not pay the tax within fifteen days were subject to forced labour until the completion of payment. The then Prime Minister R. Saydam stated: “I am deeply dissatisfied with the importing merchants ... their task is not limited only to the maximization of their own private interests, but, instead, they should be working to foster the interests of the nation as a whole ... I will work to bring import-export trade under state monopoly” (Quoted in Avcioglu, 1978: 475).

However, opposition against the Capital Tax was bitter. The opposition’s claim was that the principle of private property guaranteed by the constitution was being violated. Some minority merchants refused to pay the tax and invoked Allied pressure on the government, especially from the U.S and Britain. It was argued that the Turkish government was following a German-style anti-Semitic and fascist policy against minorities. The Capital Tax was strongly opposed by the Allied Powers. Turkey was accused of
planning its post-war economy with a possible German victory in mind7 (Kuniholm, 1980: 51-55; Robinson, 1963: ch. VII; Kocak, 1986: 287-302). Opposition against the Capital Tax was so bitter that the government was forced to finally drop the Bill in 1944 (Karpat, 1957: 116; Okte, 1951).

6.4. Conclusion

The Kemalist trajectory was a project whose goal was the construction of a national economy. It arose in response to the conditions imposed by the World economic depression, taking the form of statism. This economic statism was not based on a well-defined ideological orientation in economic development; it emerged out of the tensions between the market-oriented model adopted during the Tanzimat era of the Ottoman Empire and the social protectionist model of the 1930s. In that endeavour, Kemalist statism was built on the economic policies of the Young Turk government. I have examined the way in which this tension was revealed, first in the context of the economic policy impositions of the Lausanne Peace Treaty of 1923 (which required the government to re-establish the pre-war system of a liberal market economy), and second, against the backdrop of the Great Depression of the 1930s.

The goal of the Kemalist economic project was to build an articulated national economy. The role of the bureaucrats was to solve the basic contradiction between the capacity to produce and capacity to consume while private commercial and industrial capital groups of Muslim-Turkish origin were strengthened, thus achieving economic self-sufficiency. The basis for the independence and sovereignty of the newly established nation-state in Turkey was conceived in the "proper" functioning of a capitalist economy within national boundaries.

For the realization of this project, Kemalists followed an industrialization strategy to substitute for the importation of consumer goods. The expansion of an export-oriented agricultural production was thought to provide much needed capital for the growth of consumer goods producing industries. The other

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7 The Allied criticism of the Capital Tax was combined with Turkey's noninvolvement in the war. Turkey's war policy was largely determined by its concern with the political status of Balkans after the war. For Turkish foreign policy makers, possible German defeat came to mean to leave the Balkans as well as the large portions of Europe unprotected against the political expansion of the Soviet Union. Thus, during the early years of the War Turkey maintained neutrality with Germany while its national solidarity ideology drew its example from German national socialism (Kocak, 1986: 259-302).
dimension of the program consisted of the organization of an internal market. The crucial variable here was the economic linkage of the small peasantry to a national economic space, one which involved marketization of their produce. Peasants were expected to produce both for the consumption needs of urban areas and for agricultural export.

The bureaucratic attempt to constitute an articulated national economy was part of the political project of integrating a national political space. The market participation of peasants was intended to make peasants "national" people in their status both as citizens of the state and as food producers for the market. Kemalists were trying to link the peasantry to the internal market of the national space.

Under the conditions of the Great Depression, Kemalists shifted the economic policy from one which relied on the creation of private commercial and industrial classes to one emphasizing statism. A protective custom regime, the stabilization of money, adjustment in prices, and greater state control in foreign trade were among the protective measures of the government. Kemalist statism was part and parcel of the national economic protectionism of the 1930s, which emerged as a result of the collapse of the 19th Century exchange regime. Ruling bureaucratic cadres followed examples set by the Soviet Union, Nazi Germany and fascist Italy. Given the absence of private industrial and commercial capital on a large scale, ruling bureaucratic cadres gave fundamental importance to industrialization. The aim was to construct an autonomous economy which was seen as the basis for the strength of the state. And Turkey was successful in experiencing substantial development in its industrialization project.

The functioning of an autonomous or autocentric industrialization process, however, requires an increase in the level of real wages as the mediator between production and consumption patterns. However, the price policies of the government discriminated against the small peasantry which constituted the largest group in the general population. The wages of the working class also deteriorated. The low wage and agricultural price policy was a crucial impediment to the articulation of an autocentric accumulation. Moreover, government policy worked in favour of a closer alliance between bureaucrats and large industrialists while disadvantaging merchants, agriculturalists and small manufacturers. Increasing popular discontent against government economic policies was an undeniable fact. Even though relations between bureaucrats and large industrialists were to a large extent harmonious, the war time economic conditions of
high inflation and resulting capital accumulation by the merchants broke the harmony between them.

Kemalism, then, tried to integrate the national political space by encouraging industrialization under the ideological guidance of anti-liberal nationalist policies. However, Anti-liberalism lacked the political support of the general population. The national political space was still oppositional between the statist economic policies of the state ruling bureaucrats and the increasing discontent of peasants, wage earners and various groups of private capital (with the exception of the large industrialists). I will analyze the political and ideological implications of the growing opposition to the economic policies of the government and the political mobilization of these discontented groups in the following chapter.
VII. THE COLD WAR AND THE RECONSTRUCTION OF DOMESTIC POLITICS: 1945-1960

In chapters 5 and 6, I argued that Kemalist nationalists had a functional view of the nation-state as a viable political unit for the creation of a homogeneous society and the promotion of industrialization. The nation-state was seen as a means for coping with economic and military pressures emanating from the external world, and political and ideological problems arising from within the society.

In chapter 5, I argued that Kemalist nationalists envisaged the construction and spread of a national culture within the territorial confines of state boundaries. Kemalists tried to homogenize the nation through a secular program of national language and history. As a result of bureaucratic-administrative control which eliminated a variety of existing strategies adopted by competing elites, the notion of the nation-state became tied to the idea of national culture, and was viewed as a natural political unit for a historically established national community. In the process, any possibility of opposition against the ruling party was eliminated, and the emergence of politics as an arena for power struggles was thwarted. Under the impact of secularism Islam lost its political importance while it continued to live as an organizing principle of popular local cultures.

In chapter 6, I maintained that the domestic situation of Turkey, in its interaction with the international depression of the 1930s, produced a particular form of nationalist-protectionist strategy in the construction of a national economy in Turkey. The strategy was aimed not only at bureaucratic control of state power but at the construction of a new form of state power. It was characterized by the political alliance between bureaucrats and industrialists. The politics of support for industrialization involved anti-liberal nationalist policies. This produced a system of opposing forces within the national political space, between state ruling bureaucrats, on the one hand, and peasants, wage earners, commercial and other segments of the private sector, on the other.

In this Chapter, I examine the ways in which the nationalist pattern worked out in the thirties was changed in the immediate aftermath of WWII. After the War, under the leadership of the U.S, there emerged some common elements of policy and politics, based on a liberal principle in the economy and a constitutional democracy in politics. The central question of the chapter, then, is how the growing
discontent of the peasants and private capital groups with the RPP was translated into an opposition program of the Democrat Party, which was founded in 1946.

The political mobilization of these social groups took on the character of liberal resistance to the RPP’s authoritarian-bureaucratic control of society. The particular consensus reached between bureaucracy and opposition signifies the construction of a new form of state power within the multi-party political regime. Consensus was not reached naturally, but was constructed during the years between 1946, when the DP was formed, and 1950, when the DP came to power. The consensus was characterized by the political alliance between peasants, large landowners, commercial groups and urban small producers.

I argue that the attempt by the DP to mobilize various sectors and classes was facilitated by the incorporation of Islam into the multi-party system. The transition to the multi-party political regime in 1945 was an attempt at consolidating the nation-state form of political organization in Turkey. This was an expression of an attachment to the idea of national homogenization through the incorporation of Islam into the definition of citizenship.

Islam was a contending cultural project involving a search for a redefinition of “daily life”, yet it aimed at consolidating the “big” structures created through the Kemalist program. The Kemalist nationalists had focused on big structures such as the character of the political regime, the principle of nationalism and industrialization. They transformed the “great” culture of the Ottoman ruling elite and replaced it with a secular principle. After the transition to the multi-party regime in 1945 and especially under the DP government between 1950 and 1960, what was once the great culture of the Ottoman Empire (that is, Islam) was recognized as the “little” culture of the people. The Islamic values which circumscribe the daily life of people through family relations, friendship and neighbourhood ties, community solidarity and customs were reconstructed as an essential cultural component of the effort to fashion the people into a collective unity, as national cultural subjects.

The consensus construction was executed in response to the specific requirements of the external alliances in the emerging Cold War state system. The desire to be included in the Western alliance structure and the wish for Marshall aid provided the background in Turkish politics for the playing out of the central tension between bureaucratic-nationalist and liberal-populist policy alternatives. I will examine the specific
articulation between the post-war state system and the establishment of the multi-party regime and ideology formation in Turkey.


As WWII was coming to an end, President Inonu himself made the first move toward establishing an opposition party (Inonu, April 18, and May 20, 1945, Ulus Newspaper). In his opening speech for the new session of Parliament on November 1, 1945, Inonu openly announced that he was prepared to allow the establishment of an opposition party. This initiative was opposed by the majority of the RPP. One of the RPP members expressed his opposition in the following way: “I have always kept Atatürk’s (M. Kemal) revolution and my leaders highest in my life. Now, putting me in a situation of demanding the vote of the people comes to mean that I am for sale, doesn’t it?” (Barutçu, 1977: 277).

It seems that Inonu’s desire at the time was to insert Turkey into the emerging international order as a “democratic” country. In his speech during the opening of Parliament on November 1, 1945, Inonu declared that Turkey must take its place in the democratic regimes of the Western world (Ulus Newspaper, November 2, 1945). According to him, the only thing that prevented Turkey from having a full democratic system was the absence of an opposition party.

It was in relation to the complex geo-strategic relations of the postwar era that it was desirable for both the Turkish and the U.S. governments to develop closer ties. By shifting its internal political regime to a multi-party one and entering into a strong alliance with the West, Turkey committed itself to political liberalization. It was also clear that political liberalization in Turkey was a necessary condition for the extension of American economic/military aid to Turkey. For the U.S. government, Turkey’s sincere commitment to “democracy” established the rationale for aid. For the government of Turkey, membership in the emerging Western state system was considered to be of strategic importance for Turkey in its ongoing industrialization project. Given the absence of investment capital on a large scale, foreign capital investment was vital for national industrialization. However, Turkey was not able to attract large scale foreign capital before WWII. As a result, the Turkish government was willing to take part in the emerging Western security alliance as a “democratic” country if foreign capital could be attracted as a result.
Toward the end of WWII, Turkey wanted to be part of the new international alliances of the West and, therefore, changed its political regime. Stalin exerted land claims in Eastern Turkey and demanded that military bases be established in the Turkish Straits (Bosphorus and Dardanelles) in 1945. There is no clear evidence to support the Turkish government’s argument that there was a Soviet threat to Turkey’s territorial integrity. However, it is fair to suggest that the Turkish government manipulated Stalin’s alleged land claims in order for Turkey to be part of the emerging Western alliance system.

Toward the end of the war Turkish diplomacy was mobilized to obtain an American commitment for the territorial security of Turkey. This involved an intensification of the “communist threat” over the Balkans and in the Turkish Straits, in addition to diplomatic efforts to make Turkey strategically primary for postwar American foreign policy in the Middle East. In fact, this connection was brought to light in 1947 when the U.S. Congress explicitly linked the extension of Marshall economic and military aid to Turkey to its sincere commitment to “democracy”. İnönü’s response was to give momentum to the liberalization process in politics and intensify the Soviet threat over the Balkans and Turkey.

7.1.1. Intensification of the “Communist Threat”: Balkan Politics, the Iranian Crisis and the Security of the Turkish Straits (1945-1947).

The Atlantic Charter signed in 1941 laid down the main objectives of U.S foreign policy in the post-war period. The primary political objective of U.S policy in the immediate postwar period was the

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1 The Turkish-Soviet Treaty of Neutrality and Non-Aggression signed in 1925 was due to expire on November 7, 1945. On March 19 Soviet Foreign Minister Molotov denounced the Treaty. On June 7 the Turkish ambassador in Moscow requested Russian view on a new treaty of friendship. Molotov stated in a note he submitted to the Turkish ambassador: "(O)wing to the profound changes which have taken place during the WWII, this Treaty is no longer in accord with the new situation and needs serious improvement". The Turkish reply to this statement expressed the willingness of the government: "to examine with attention and good-will any proposals that the Soviet Government would suggest for the conclusion of a Treaty better adopted to the present interests of the two countries" (British and Foreign State Papers Vol. 145: 1175-1177 quoted in Ataov, 1968: 126). Before signing a new treaty of friendship, Molotov suggested that they would have to settle two conditions to the satisfaction of the Soviet Union: first, modification of the Turkish-Soviet borders fixed by the Treaty of 1921, and returning two Turkish provinces Kars and Ardahan on the Caucasian border to the Soviet Union, which had been given back to Turkey at the end of the WWI by Lenin; second, settling the larger question of the Straits (Sadak, 1949: 458). The Turkish ambassador "asked whether the Russian was asking for bases (on the Straits). Molotov ... answered in the affirmative" (Kolko, 1990: 586). Molotov also claimed that Turkey was unable to defend the Straits by itself, and that Turkey, therefore, should agree to the establishment of Soviet bases on Turkish territory (Vali, 1972: 62). The Soviet government held out as compensation for the possible loss of Kars and Ardahan the Turkish recovery from Syria of the city and railway junction of Aleppo (Ataov, 1968: 126).
breakup of the old European spheres of influence and their replacement by a nation-state system, along with the organization of an integrated liberal world economy (van der Pijl, 1984; Block, 1977). The Atlantic Charter called for the access of all states, on equal terms, to trade and raw materials (Block, 1977: 56-57). This required the security of the territorial division of the states as settled in the First World War Peace Treaty and the extension of the nation-state system to the colonies (Graebner, 1970: 241). After a period of hesitation under the Roosevelt regime, the Truman administration, by early 1946, linked the policy goals of the Atlantic Charter to a policy of anti-communism (Block, 1977; Ambrose, 1983; Gaddis, 1982). The Truman Doctrine of 1947 advocated an overt policy of containment. Turkey’s role in this containment policy was to protect the U.S interests in the security of the Turkish Straits and suppress the resurgence of territorial nationalism in the Balkans. This was essential for Turkey’s inclusion within the new international alliance system of the West. It also underpinned the postwar foreign policy of Turkey. The military control Turkey regained over the Straits at the Montreux Convention before WWII² was a very important strategic factor no state could disregard in the diplomatic and military dynamics of the emerging postwar state system.

Both during and after the war, the Soviet Union demanded the return of two Turkish provinces (Kars and Ardahan)³, and also asked for a revision of the Montreux Convention in order to obtain a military base on the Turkish Straits of Dardanelles and Bosphorus for light naval and land forces (See Hurewitz, 1956: 230 for the complete text; Sadak, 1949: 449-461). At the Yalta Conference convened in February, 1945 Stalin stated that, in relation to Turkish military control of the Straits, “It was impossible to accept a situation in which Turkey had a hand on Russia’s throat” (U.S. Department of State, 1955: 903-905). Turkey’s fear was that it was quite possible for the U.S. to accept the Soviet proposal on the Straits,

²At the Montreux Convention (June 23-July 20, 1936) Turkey reestablished its military control over the Straits which were demilitarized with the Lausanne Treaty of 1924 (Royal Institute of International Affairs, 1937: 645-648; Ataoğlu, 1968: 2-5). According to the Montreux Convention, in time of peace, all merchant vessels were to have freedom of passage through the Straits; in time of war, Turkey not being in war, warships belonging to aggressive powers were not to pass. In time of war, Turkey being in war, the passage of warships was left to the discretion of the Turkish government (Kuniholm, 1980: 17; Kapur, 1965: 93-107).

³These Turkish provinces were near Iran and the Caucasian oilfields in Baku and Batum. The Soviet Union wanted to control these provinces largely because of its anxiety especially about the control of Iranian oil fields (Halliday, 1979: 467-472; Kuniholm, 1980: 136-143; Avery, 1965: 181; Elwell-Sutton, 1955: 108 and 1949: 55; Lenczowski, 1947: 29-30).
given that Roosevelt was sympathetic to Stalin. Roosevelt made an analogy to U.S-Canada border:

"We had a frontier of over 3,000 miles with Canada and there was no fort and no armed forces. This situation had existed over a hundred years... (His hope was that) other frontiers in the world would eventually be without forts or armed forces on any part of their national boundaries" (U.S Department of State, 1955: 903-905).

In a note given to the Turkish Minister of Foreign Affairs on November 2, 1945 by American ambassador E.C. Wilson, the U.S proposed the modification of the Montreux Convention. The note insisted on the following: "(T)he Straits were to be open to the transit of warships of the Black Sea powers (the Soviet Union) at all times" (U.S Department of State, 1947: 47). This was consistent with the Soviet proposal, submitted to Acting Secretary of State Acheson, for joint Soviet-Turkish defense of the Straits (Kuniholm, 1980: 256-257; U.S Department of State, 1947: 47-49). The American proposal did not make any sense to Turkey. In the event of a war between Turkey and the Soviet Union, Turkey could not wage a war with the Soviet Union and, at the same time, open the Straits to Soviet warships. Turkey warned the U.S. administration that the provisions of the Montreux Convention regarding more restricted rights for warships would also be extended to American warships if Turkey decided to organize a joint defense with the Soviet Union.

It was obvious, however, that the U.S administration was not interested in the Turkish government's allegations of Soviet territorial claims over Turkey (Kolko, 1990: 586). Under Secretary of State Grew told the Turkish ambassador in Washington in July 7, 1945 that the Soviet Union made no concrete threats (Kolko, 1990: 586). At the Postdam Conference President Truman shared the same view expressed by Roosevelt at Yalta - that he was not interested in a territorial dispute between Turkey and the Soviet Union (Vali, 1972: 68).

In order to invoke American interests, Turkey began to remind the U.S. administration about its strategic role interlocking the Balkans and the Middle East against possible Soviet military or ideological expansion in the region. The Balkans and the Middle East were interlocked by Turkey's common membership in regional pacts. The Balkan Pact signed in 1934 included Turkey, Yugoslavia, Greece and

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4 Soviet note of August 7, 1945 submitted to the Acting Secretary of State Acheson reflected this move on the part of Turkey that Turkey and the Soviet Union was about to organize "a joint means of defense of the Straits for the prevention of other countries from using the Straits for aims hostile to Black Sea powers" (US Department of State, 1947: 47-49).
Romania. The Saadatbat Pact included Turkey, Iran, Iraq and Afghanistan (Ataov, 1968: 10; Gonlubol, et al, 1987: 100, 102-103; Kilic, 1959: 81). These pacts were formed to secure the national independence and territorial integrity of each member state as decided at the end of WWI. Bulgaria did not take part in the Balkan Pact as it had territorial claims in the Balkans. As far as Turkey was concerned, Bulgarian nationalism (Reistelhueber, 1971: 350-354) and the possibility of Greek Communist success came to mean increased instability in the Balkans and a Soviet threat to the Turkish Straits (Pundeff, 1956: 367-378; 1969: 153). In addition to communist rise to power in Yugoslavia and Albania, the Soviet occupation of Bulgaria on September 8, 1944 had intensified the fear of increasing Soviet influence in the Balkans. The Soviet Union would assist Bulgaria in redrawing its borders with Greece, given that Greece had almost doubled its territory between 1912 and 1919 (McNeill, 1957: 25; Pundeff, 1969: 140-147). Through its friendship with the Soviet Union, Bulgaria hoped to solve its territorial claims in the Balkans, left unresolved by the WWI peace settlement (Gonlubol, et al., 1987: 100-103). This involved redrawing borders both with Greece in relation to Macedonia, and with Turkey in relation to Thrace. Bulgaria hoped that this would help its entry to the Aegean Sea. On the other hand, internal power rivalries between a pro-Western government and the Communists in Greece had polarized Greek territorial claims (Kolko, 1990: 428-431). The pro-Western government had a territorial dispute with Communist-ruled Bulgaria over Macedonia (Pundeff, 1969: 140-143, 153; Sachar, 1972: 384). Greek Communists, on the other hand, were not very interested in that dispute, but were raising territorial claims on the Aegean Islands, Turkish Thrace and Cyprus (Xydis, 1969: 248). According to Turkish foreign policy makers, it was an urgent necessity for American leadership to be established for reasons of stability in the Balkans.

After a long period of hesitation, the U.S. government decided that it was not willing to accept the division of the Balkans into spheres of influence divided between Britain and the Soviet Union5 (Bohlen,
1973: 162-163). After recognizing the importance of the Balkans\(^6\) and the Middle East, the U.S shifted its policy towards Greece and Turkey. Growing American oil interests in the Middle East played a key role in this shift. The 1946 Soviet-Iranian oil agreement was decisive in mobilizing the US administration against the “danger” posed by the Soviet Union to American oil interests in the Middle East.

During and after the War, Middle Eastern oil production increased significantly, especially in Saudi Arabia, Iraq, Iran and Kuwait. Saudi production increased from 0.5 million long tons in 1939 to 25.9 million long tons in 1950. During the same period, Iranian oil production increased from 9.6 million long tons to 31.8 million long tons (Halliday, 1979: 400). In line with these large increases, U.S company shares in Middle Eastern oil production also rose from 16 per cent in 1939 to 31 per cent in 1946. They leaped to 60 per cent by 1953 (Armstrong, et al. 1991: 30). By 1944, U.S companies controlled 42 per cent of the proved oil reserves in the Middle East (Kirk, 1952: 25). In spite of their growing importance in Middle East oil production, American companies were excluded from many oil concessions\(^7\). The oil regime in the region, established under British control, prohibited Gulf states from granting any exploration rights to non-British companies without prior British consent (Halliday, 1979: 398-399). U.S companies were also required to obtain British consent for exploration rights in the new oil producing areas - previously untouched territories between Kuwait, Saudi Arabia and the lower Gulf, such as Qatar, Bahrain, and the coastal Omani states. Under the influence exerted by the oil companies (especially Cal-Tex), the U.S government, after 1944, began to look for a broader framework within which American oil interests could be redefined. This involved breaking the capitulationist arrangements of the pre-war oil regime in the region (Scwadran, 1959: 301-317; Stoff, 1980: 89). The dissolution of the old colonial sphere of oil interests into the system of nation-states under the Atlantic Charter was the first step, and involved a shift in political leadership from Britain to the U.S (Bromley, 1991). This process began with the expansion of the

\(^6\) This decision came following the British declaration on February 27, 1947 about its financial inability to fulfill further commitments to Greece (Ristelhueber, 1971: 368).

\(^7\) The exclusion of American oil companies from oil concession in the Middle East was related with the fact that the British saw the Middle East as its sphere of influence while it restricted American sphere of influence to the oil fields in Central and Latin America (Venn, 1986: 62-67).
Standard Oil Company into Saudi Arabia where it joined with the Texas Oil Company to form Cal-Tex: This joint-venture added another 80,000 square miles to the earlier concession given to the American company in Saudi Arabia (Kuniholm, 1980: 179-180). The corporation eventually took the name of the Arabian American Oil Company (ARAMCO), which later during the 1970s exerted substantial influence on U.S policy in the Middle East.

The breaking of the British colonial sphere of oil interests in the region involved the construction of a “foe” which was imagined to be attacking vital Western interests in the region. The foe was the Soviet Union, and Iran was to be the first testing ground for US containment policy. Since August of 1941 Iran, was under joint military occupation by Britain and the Soviet Union, each agreeing to withdraw their troops no longer than six months after the end of the war (Kuniholm, 1980: 142-143). Their goal was to protect oilfields in Iran against German advance (Halliday, 1979: 470). In 1945-46 two autonomous republics were declared in northern Iran. Both new republics, Azerbaijan and Kurdistan, were supported by the Soviet-backed Communist Tudeh (Masses) Party founded in 1942. When the Iranian government attempted to suppress these movements, the Soviet Union was ready to defend them militarily (Lenczowski, 1947: 29-30). At the same time, the Soviets demanded that a joint Soviet-Iranian oil company be formed. The Soviets were to receive oil concessions in the north and a 51 per cent of the profits. In return, the U.S administration convinced the Iranian government to put the matter before the United Nations Security Council (Gaddis, 1972: 309-312; Painter, 1986: 75-81). In 1946 an agreement between Iran and the Soviet Union was reached stipulating that Soviet troops would be withdrawn from Iran. Toward the end of the year, the Iranian parliament expelled the Tudeh from the ruling coalition and refused to ratify the oil agreement. In May 1947, Iran received $25,000,000 worth of military supplies on credit, to be used to expel Soviet troops from Iran (The New York Times, May 31, 21 June, 22 October, December 10, 1947). The pro-British Hakimi became prime minister of Iran, replacing the pro-Soviet Quavam who resigned on December 10, 1947.

These developments in Iran contributed to the beginning of the US policy of containment, and helped the US to increase its share in oil. In order to curb Soviet influence in the north, the Shah government of Iran had already offered oil concessions in 1943 to the US companies Socony Vacuum and
Standard Oil of New Jersey (Elwell-Sutton, 1955: 108), but the US share in the concessions was still minimal. The British-owned Anglo-Iranian Oil Company (AIOC) had monopoly of Iranian oil production. Mossadegh, who became prime minister in 1951, sought to nationalize AIOC. As AIOC remained intransigent and the Soviet-supported Tudeh Party gained strength, the CIA engineered a coup against Mossadegh. After the CIA-aided Iranian army overthrew nationalistic Mossadegh and put the Shah back into power, the share of American oil companies of oil production increased from almost nil to 40 per cent (Keohane, 1984: 167-169).

Oil producing Iran, together with Greece and Turkey, were going to build a strategic-military wall against Soviet southward penetration toward the oil fields in the Middle East. The states of the Eastern Mediterranean and Middle East were very important strategic locations in the crossroads between the Soviet Union and the Middle East. The Secretary of State, Cordell Hull, had stated the link in the following way: "(I)t was in the interest of the United States that no great power is (was) to be established on the Persian Gulf opposite the important American petroleum development in Saudi Arabia" (Kuniholm, 1980: 160).

Consequently, American military and economic aid was legislated, first within the context of the Truman Doctrine (declared on March 12, 1947) which established a policy of "stern containment" of the Soviet Union in Europe (Ambrose, 1983; Gaddis, 1972). This policy was then extended to include Greece, Turkey and Iran (Ristelhueber, 1971: 368-387; Sander, 1979: 14) to strengthen the international security boundaries of Soviet containment in the Eastern Mediterranean. In the process, Turkey's strategic-military importance was granted primary status.

There was considerable controversy over the extension of aid to Turkey. For example, the U.S ambassador to Moscow, G. Kennan, was strongly opposed to giving aid of any kind to Turkey. He preferred to provide large economic and small military aid to Greece. On the other hand, others regarded the defense of the Turkish Straits as the most vital consideration. According to Truman, U.S. aid to both Greece and Turkey was vital in order to prevent "confusion and disorder . . . throughout the entire Middle East" (Quoted in Kuniholm, 1980: 438). Turkey was a strategically primary location for the containment of the Soviet Union in the Middle East, as it is a land and water bridge between Asia and Europe and between
Europe and Africa. As Sir B. Pares wrote in 1947, the Truman Doctrine was about “keeping Russia from the sea” (Herald Tribune, July 18, 1947), and the Turkish Straits were the vital element in accomplishing this task for the U.S. government. Thus, the Turkish government’s allegation that the Soviet Union had territorial claims over Turkey, and that it was a threat to the security of the Straits (Bosphorus and Dardanelles), was accepted as a real concern.

In a speech to the U.S. Congress on March 12, 1947, Truman explained this rationale in relation to the extension of American aid to Turkey:

“... We can not realize our objectives unless we are willing to help free people to maintain their free institutions and their national integrity against aggressive movements that seek to impose upon them totalitarian regimes ... The time has come when nearly every nation must choose between alternative ways of life, one distinguished by free institutions and the other by terror and oppression ... Turkey now needs our support. Since the war Turkey has sought financial assistance from Great Britain and the United States for the purpose of effecting that modernization necessary for the maintenance of its national integrity. That integrity is essential to the preservation of order in the Middle East ... It must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressure” (For the entire document see: Kuniholm, 1980: 434-439).

This shift in American foreign policy towards Turkey had several important implications: 1- It marked a decisive shift in Turkish foreign policy from a position of neutrality, which Turkey had maintained since the beginning of the Turkish Republic, to a position of being a strong American military ally. 2- The multi-party system was consolidated, especially after the U.S.-Turkish Aid Agreement of July 12, 1947. The date of July 12, 1947 signified the turning point in Turkish politics, such that on the same day President Inonu endorsed the opposition Democrat Party and silenced the statist faction of the RPP, leading to R. Peker’s resignation as Prime Minister in 1947. And, following the 7th Party Congress convened in 1947, the RPP government undertook a number of measures to liberalize the regime. The liberalization process resulted in the DP’s rise to power in 1950 which signified the beginning of the end of the era of RPP majority governments in Turkish politics.

The internal transformation of the state-society relations of the single-party era evolved against the complex international relations of the post-war consolidation of territorial boundaries. This was in accordance with the thus-far established tradition that territorial security of the state was the basis of Turkish foreign policy on which the Turkish government sought to built a new society. Now the question
we must ask is, what changes were introduced in the context of domestic politics in order to convince the U.S government that Turkey was sincerely committed to “democracy”.

7.2. The Reconstruction of Domestic Politics: 1945-1950

Inonu’s understanding of politics was one which did not permit the emergence of any workable theory of opposition (Atasoy, 1986). The opposition party was envisaged as a means to accommodate government policies, not as a force contending for power with an ideological program distinct from that of the RPP (Barutcu, 1977: 306-308). Inonu’s objective was to find a way to accommodate the rising domestic opposition within the context of emerging international arrangements. He made the connection in the following statement: “It never happened in my life that I haven’t taken external problems into consideration as I was solving internal problems, or vice versa” (Quoted in Barutcu, 1977: 316). Inonu’s decision to establish a multi-party system was his response to the shifting alliances in the state system.

Inonu thought that the multi-party regime would allow the domestic arrangements made during the 1930s to be accommodated in the emerging international order. He was not necessarily thinking about transforming the domestic situation in Turkey. The national homogenization program designed by Kemalist bureaucrats during the 1930s could not be compromised, or redesigned on the basis of entirely different principles. For the nationalist bureaucrats, national homogenization was the legitimizing principle of the nation-state, requiring cooperation from all segments and strata of society. The following statement delivered by Inonu on November 1, 1945 demonstrates that he was thinking of the continuation of bureaucratic control of society (from the 1930s) into the new era.

"... freedom of expression, freedom of speech and writing, should not undo the limits imposed by the nation’s own ability to support itself . . . (Otherwise) this nation would face the danger of anarchy and disorder. It is within our memories, we experienced it in the past that this country can absolutely not sustain the weight of excessive and immoderate speeches and cause the rise of disorder in society” (Ulus Newspaper November 2, 1945; Inonu, 1946: 397-400).

In this speech, Inonu was attempting to prevent the emergence of politics as an arena for power struggles.

This was justified in reference to the “inability” of the nation to sustain a plurality of ideologies. This, in turn, required the persistence of the division between the ruling elite and the masses as the necessary
relations of authority. The opposition party was to be loyal to the ideological principles of Kemalism, which came to mean loyalty to the party program of the RPP. Prime minister Sukru Saracoglu also made it very clear that the ideological fundamentals of the RPP could not be changed. He stated: "... any kind of political activity will develop in our country, but, only and only in the direction determined by the Republican Peoples Party" (September 5, 1945 Vatan Newspaper). According to Prime Minister Saracoglu, unification around the RPP was a national duty essential for the strengthening of state power.

It was hoped that a party of loyal opposition that would work with the Kemalist bureaucrats in order to develop a new set of policies to suit the new world situation. However, the establishment of the DP in 1946 precipitated a rude awakening for the bureaucrats. It was clear that larger segments of society were mobilized in support of the DP. This awakening led the RPP government to give concessions both in the realm of religion and economic policy. There were two dimensions of the opposition mobilized by the DP: economic opposition to bureaucratic control of the economy, and religious opposition upholding local-popular cultures over the militant secularism of the bureaucratic elite. Inonu’s strategy was to accommodate opposition within the framework of the multi-party political system (Atasoy, 1986). This strategy was the defining feature of party politics between 1946 and 1950.

In the economic realm, the most immediate reason for political opposition against the economic policies of the RPP government was the Land Reform Bill of 1945. Toward the end of WWII, the government tried to make small producers the main partner in coalition politics with the bureaucrats. Toward that end, it introduced the Land Reform Bill in January 1945, as a means of counteracting the potential rise of political opposition from the large landowners. The Bill was intended to redistribute all land worked by wage labour, tenancy and sharecropping, to the immediate tillers. It provided that all landed property in excess of 500 donum (123.5 acres) would be expropriated, to be redistributed to the landless and landshort peasants (Selekler, 1945). The political aim of the RPP was to strengthen the political hold of the small producing peasantry against large landowners. The Land Reform Bill was strongly opposed by the large landowning faction of the RPP. After months of debate in Parliament, the Bill was modified, and passed on 11 June 1945. The new Land Reform Bill was legislated to redistribute only state-owned lands (Barkan, 1946).
What the debate around the Land Reform Bill made clear was that there was a growing intra party conflict between the bureaucratic and the large landowning factions of the RPP. In their opposition to the Bill, landowning classes also received the support of the private industrial and commercial classes who were disturbed by RPP bureaucrats. They were opposed to the arbitrary and unpredictable state legislation (Sac, 1948: 430-436; Singer, 1977: 64; Tezel, 1982: 283; Karpat, 1957: 80, 115; Boratav, 1982: 257). The National Defense Law of 1940 and the Capital Tax of 1942 had already raised fears that the government was anti property (Keyder, 1987: 113).

The opposition of large landowners to the Bill was represented by a liberal faction within the RPP led by C. Bayar and A. Menderes. Bayar was a businessman-banker and Menderes a cotton-growing landlord. Bayar and Menderes led critics of the Bill on two basic grounds: 1- Land reform would violate the principle of private property guaranteed by the constitution; 2- it would lead to a decline in production (Karpat, 1959: 296-298).

The critics of the Land Reform Bill within the RPP (C. Bayar, A. Menderes, R. Koraltan and F. Kopruulu) broadened their critique of the government and demanded that the government fully implement the national sovereignty principle as stated in the constitution. The acceptance of the Charter of the United Nations allowed the opposition to raise its voice in parliament. Menderes was vocal in his opposition:

"We have accepted this international constitution in accordance with our own constitution. This means that we cannot live in a political regime which is against the spirit of our constitution in the first place. We should work toward the elimination of the disharmony between the actual political practice and the constitutional requirements. The constitution should be brought into practice . . . " (Quoted in Vatan Newspaper August 16, 1945).

Open criticism against the single party regime began to gradually increase in parliament. The first act of opposition was the Joint Motion (known as the Dortlu Takrir in Turkey) delivered to parliament on June 7, 1945 by four members of the RPP Parliamentary group, C. Bayar, A. Menderes, F. Kopruulu, and

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8 C. Bayar was a close friend of M. Kemal and minister of the economy in the 1924 cabinet. His duty was to help develop the private sector of the economy. Thus, he founded the Business Bank of Turkey (Turkiye Is Bankasi) in 1924. He was the Minister of Economy in 1932 and the last Prime Minister of M. Kemal in 1937 before he died in 1938. After Inonu became President, Bayar was given no ministerial post. Bayar's importance as a player in politics was evident when he became the leading figure of the opposition within the RPP.

9 Muhittin Baha Pars was the first parliamentarian asking for the government to become politically responsible to Parliament (May 30, 1945 Ulus Newspaper). As a first step, he proposed to allow the press to be present in the parliamentary discussions of the RPP.
R. Koraltan. They demanded the restoration of the political rights and liberties of citizens, as stated in the constitution, and the parliamentary control of the government (Yalman, 1947: 53; Burcak, 1979: 241-244). The Joint Motion was rejected in parliament.

After its rejection, the two men originating the Motion (F. Kopru and A. Menderes) continued their opposition to the single party-state regime in the press, especially in the Vatan Newspaper. F. Kopru demanded the separation of powers between parliament and government, and accused the government of exerting dictatorial power over parliament. He expressed his anger by exclaiming: “I am ashamed of calling myself a representative of the nation in this parliament” (Quoted in Barutcu, 1977: 288). In the article “The Spirit of Democracy” published on September 19, 1945 in the Vatan Newspaper Kopru defined the existing political system in Turkey as a one-party dictatorial system. He analyzed it in relation to the arbitrariness of rule, and stated that this system saw citizens as a flock of sheep expected only to obey orders commanded from above. In another article, entitled “Enemies of Democracy” published in the Vatan Newspaper on 25 September 1945, he accused the RPP government of being the enemy of democracy and explained his reasoning in the following way:

“The primary objective of the government was (initially) to protect reforms against the possibility of reaction (Islamic) and to prevent the likelihood of any social disturbance in the country. This sort of reasoning led to the enactment of some very restrictive laws which were totally against the spirit of the Constitution. As a result, it became impossible for the parliament to exercise its duty of controlling the government. The single party regime has totally damaged the spirit of democracy in Turkey.”

Their growing and bitter attack against the government led to the expulsion of three of the opposition group members from the party, and the resignation of Bayar on December 1, 1945. On January 7, 1946, these four men formed the Democrat Party (the DP). The leader was C. Bayar - a close friend of M. Kemal (Karpat, 1959; Lewis, 1968; Ahmad, 1977).

The immediate reason for the establishment of the DP was the opposition of the liberal faction within the RPP to the redistributive measure of the Land Reform Bill. In general, the DP’s demand was to limit the state’s economic involvement and allow private business to dominate in the industrialization process. Thus, it promoted the primacy of private capital in the economy within a kind of mixed economy model.
The DP was a populist party which aimed at unifying unequal social classes under the rubric of “the people”. The DP mobilized the increasing discontent of small peasantry, wage earners and various small commercial and manufacturing interests against government economic policies. The DP recognized the existence of different classes in society and hoped to harmonize the conflicting interests of various social classes under the unifying principle of the national interest (Party Program of the DP, Article 6 and 7, in Tunaya, 1952: 662-663). It insisted on the institutionalization of political rights for the expression of these differences through multi-party politics - against what Menderes and Koraltan called “the tyranny of the RPP” (Menderes, May 19, 1946, Vatan Newspaper; Menderes, April 1, 1946, Vatan Newspaper; April 30, 1946 Vatan Newspaper).

Since Inonu, President and leader of the RPP, was committed to inserting Turkey into the Western alliance structure as a “democracy”, the RPP found itself in competition with the DP for gaining popular votes. Once the DP started establishing branches it met with an enthusiastic response from all over the country. The RPP leadership, which was aware of the popular discontent, was nevertheless shocked by its extent. An extraordinary congress was called in May 1946, instituting a number of liberalizing measures (Atasoy, 1986: 172-187). In the congress, the RPP recognized the existence of social classes in society, and began to respond to their demands. In his speech opening the RPP Convention on May 10, 1946, Inonu announced his decision to allow the establishment of associations and political parties on social class base (May 11, 1946 Vatan Newspaper). Inonu’s decision to liberalize the regime was in part a response to the increased pressure from the DP. At the congress, the RPP changed its by-laws on the principle of populism and recognized the existence of various social “groups” in society having different interests (the RPP tried to avoid using the concept social classes). Inonu’s aim was to match the RPP party program to the opposition program. In response to the liberalizing measures of the congress, in June 1946, a socialist party, and even a communist Turkish Socialist Workers and Peasants Party (Turkiye Sosyalist Emekci ve Koylu Partisi), led by Dr. Sefik Husnu Degmer, were founded.

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10 In 1946 Bayar commented: “The Democrat Party is a leftist party if the left ideology requires maximum protection of national interest and grants no privileges to any of social classes in society” (Vatan Newspaper, April 29, 1946).
Between 1946 and 1950 the points which had differentiated the DP from the RPP (political and economic liberalization) were to a large extent taken over by the RPP. The duty of the party, defined at the Seventh Congress of 1947, was to increase the standard of living of peasants who formed a majority in society. At the congress the RPP advocated free enterprise in the economy, and decided to modify the Land Distribution Bill to suit the interests of large landowners. It also decided to allow religious education in schools.

Inonu was still suspicious of dissent and a diversity of ideologies and interests which, he thought, would undermine political order and state power (Inonu’s speech delivered at the RPP provincial rally in Trabzon on June 2, 1946; speech opening the 1946 RPP convention). Therefore, he tried to formulate a concept of “popular power of citizens” to be expressed “in consent”. The seventh congress underlined the duty of the political party to harmonize conflicting class interests with the national interest 11 (Karpat, 1957: 311). In this respect, the 1947 Seventh Congress of the RPP was decisive in bringing the RPP closer to the populist program of the DP (Giritlioglu, 1965: 210-211; Karpat, 1957: 203-204; Ulus Newspaper, November 18, 1947). Both parties shared the goal of neutralizing class differences under the national interest.

One way in which the RPP and DP tried to distinguish themselves was by accusing each other of being communist. These accusations appear to have arisen as one of the immediate effects of the emerging Cold War. In December 1946 martial law was declared, and the leftist political parties were closed down. The DP was even accused of being in the pay of Moscow (Zurcher, 1993: 223). In return, the DP accused the RPP of being soft on communism. Although both parties differed little from one another in terms of their political programs, they tried to create differences by reference to communism. Inonu brought an end to this confrontation, introduced a conciliatory atmosphere and silenced hardliners within the RPP on the same day the U.S-Turkish Aid Agreement of July 12, 1947 was signed. With Inonu taking sides with the moderates, there remained little basis for any serious conflict between them. In his July 12, 1947

11 Prior to the congress, some delegates had defended the view that the RPP should have renewed itself to be a party of landless, small producing peasants and workers. It was also advocated that the political class struggles could still be prevented by neutralizing them within nationalism (İrmak, October, 9 1947 Ulus Newspaper; Barutcu, 1977: 289-290).
declaration Inonu stated:

"... The experience of one and half years had established grounds for hope. It is the duty of both the opposition and government parties to protect the results already achieved on the way to democracy ... An opposition party which uses legal means is entitled to enjoy the same conditions as the party in power. I consider myself as the head of the state equally responsible to both parties ... The result I seek is the institution of confidence between the parties. This is the security of the country. The opposition will work without the fear of being closed down by the party in power; the government will be secure that the opposition demands nothing beyond its legal rights; the citizens will be confident in seeking the possibility of the transfer of power from one party to another. In order to overcome the obstacles to this end, I ask for the genuine cooperation between the leaders of the opposition and government parties ..." (July 12, 1947 Ulus Newspaper).

Inonu wanted to establish the multi-party regime in a smooth and peaceful way\textsuperscript{12}, and prevent popular political discontent from turning into revolutionary politics (Barutcu, 1977: 306-308, 316; S. Agaoglu, 1972: 84; Erdemir, 1962: 9). Inonu hoped that with the assistance of the DP, the growing discontent of the people with the RPP would be contained within a political framework acceptable by the RPP\textsuperscript{13}, that is to say, the DP was not regarded as an alternative to the Kemalist program of nation-state making.

The question that remains to be answered is how the DP was able to mobilize the popular discontent of the peasants and working class toward RPP policies, while opposing the Land Distribution Bill, despite the fact that it did not have a coherent party program of its own - distinct from that of the RPP. The answer can be found in the fact that the DP was able to unify the various elements of local-community

\textsuperscript{12} Allowing other political parties to be established was one way of streaming the opposition into more acceptable channels. Inonu stated in an interview conducted by H. Avcioğlu in September 21, 1959 that there was an “absolute need” to allow opposition to form their own political parties (Quoted in Erdemir, 1962: 9). In his December 1969 speech in the Parliament Inonu explained what he meant: “If we did not choose the multi-party democratic regime in 1945, there might have been a bloody revolution in society” (Grand National Assembly Records, December, 1969; Also quoted in Burçak, 1979: 55).

\textsuperscript{13} Inonu’s own personal involvement with the DP leadership and the formulation of the party program supports this argument (Atasoy, 1986). C. Bayar, the leader of the DP, was the man who Inonu trusted. Bayar had worked with M. Kemal and Inonu in various RPP governments. He was one of the ideologists of the Kemalist trajectory. The other leading figures of the DP were also all Kemalists who espoused the same principles of Kemalism. These men were reliable enough to establish an opposition party, reliable for the continuation of the existing nation-state making trajectory. Thus, Inonu actively encouraged Bayar to found a party in opposition (Toker, 1970: 92; Girilioglu, 1965: 160, 165; Erogul, 1970: 16; Burçak, 1979: 64). In fact, the DP was expected to behave as the Free Party of 1930 and the Independent Group of the WWII period, as a “control party” which could provide a corrective to the government and function as a safety valve to deflect the growing discontent of the “people”. The Prime Minister Saracoglu clearly expressed the view of attributing the safety valve function to the DP: “Political activities of the party in opposition are useful for the party in power as well ... (It helps) state affairs to be healthier and the citizens believe in this health more easily ... We want only one thing from them (the DP) as we naturally should cooperate against reaction. We want unity in politics” (Quoted in Vatan Newspaper, March 7, 1946).
culture into a cohesive principle of national culture. This principle was not separate from the secular nationalism of the Kemalist program, but distinct from the "high" culture of the state ruling bureaucratic cadres. This enabled the DP to bring both private capital groups and peasants into the political process within the political framework of Kemalist nationalism.

7.3. The Incorporation of Islam into the Definition of National Culture: 1947-1960

According to DP leaders, the political conflict between the ruling bureaucratic elite, private capital groups, and the peasantry was a political struggle between the "center" and "periphery." The "center" was embodied in the ruling bureaucrats; the "periphery" was defined as a collection of people from various social-economic categories. The DP constructed a notion of the people as being politically unified by a common interest in their opposition against the center. At the same time, the DP rejected the notion of a national unity which denied the existence of class differences; it clearly recognized class differences within the periphery. This did not make the DP significantly different from the RPP. The only difference was that the DP unified differences of interest among various classes within an overarching political framework of the periphery while the RPP tried to neutralize them within the framework of national interest as defined by the ruling bureaucracy. In other words, they were both populist parties trying to neutralize different class interests, but the DP accomplished this by constructing a concept of people unified in their opposition to the ruling center. This helped the DP link the political discontent of private capital groups with that of peasants and the working class. As a result, the DP successfully created a popular basis for its struggle for power by constructing a political category of people unified within a peripheral identity.

The political relations of the single party era during the 1930s took place within the hierarchical division between the ruling bureaucratic cadres of the RPP and the larger population of the masses. Both categories of peasantry and working class and their cultures were approached by the RPP leaders as a potential danger to the secular principles of the Kemalist nation-state making program. They were excluded

14 The DP’s conceptualization of the “center” and “periphery” dichotomy differs from the S. Mardin’s approach. Mardin (1973) locates private capital fractions and certain social classes and groups permanently in the “periphery” and expects a political unity of interests on the grounds of their automatic opposition against the “center”. Mardin’s approach does not explain the shifting alliances between the state and “peripheral” classes and groups, nor does it provide an answer for the organization of unity of interests in the periphery, yet temporary, against the “center”.
from the political process and their culture(s) were seen as a source of “backwardness” and reactionary political activity. They were expected to abandon their culture(s) and accept the “western” way of life as required by the modernization project of M. Kemal. On the other hand, the financial burden of industrialization was imposed on peasants. They were expected to finance the economy while their culture(s) was (were) looked upon with great suspicion. It was against this division the RPP constructed during the single party era between ruling bureaucrats and the masses that the DP provided a means for articulating and organizing opposition. The DP opened up the possibility of opposition against the ruling bureaucratic center by bringing both private capital groups and peasants into the political process - within the political framework of the Kemalist program. In the remainder of the chapter, I will focus on the question of how the DP articulated and organized opposition to the center.

7.3.1. Islam as the Living Culture of the People: 1947-1950

The DP constructed people discursively as sharing a political identity separate from the state as “periphery”. This construction was embedded in the growing discontent of the people with the policies of the RPP government, one which imposed an economic burden on them while viewing their culture(s) as suspect. The people had never understood why a policy of secularism was good for them and how they would benefit from it. The DP used this discontent to its advantage, and defined RPP rule as oppressive and unjust. It promised to remove it. Bayar expressed this injustice in the following way:

“... Our people have been punished in police stations and beaten up in the villages. These examples expose the police-state character of the existing regime ... Our peasants have been forced to pay taxes in spite of their ability to pay ... We all know how this has troubled our peasants ...” (Bayar, 1951: 124).

A speech delivered by Menderes in November 1946 at a DP rally in Milas provides another example: “... the national unity achieved under the single party regime is nothing but an encampment by the gendarmerie (Menderes, 1967: 35). In another speech delivered at the Kutahya Provincial Congress of the DP in December 1949, Menderes condemned RPP rule as equivalent to a “dictatorship of intellectuals”, claiming to be doing good things for the people, but in fact doing things in spite of them (Menderes, 1967: 203).

The DP strongly emphasized the “maturity” and the patriotism of the “people.” This view was
developed in relation to the inclusion of the “cultures” of the peasants into the political process. According to DP leaders, the secular basis of Turkish nationalism would not be undermined by the political inclusion of the culture(s) of the people. People were mature and responsible enough to avoid the political expression of democratic rights and freedoms from leading to reactionary movements against the ideological fundamentals of the state. Koprulu stated: “We should be trusting the unshakable determination and patriotism of our people. Their national and political comprehension is higher than those who claim to provide them with guardianship” (Koprulu, 1964: xxx).

The DP legitimized Islam on the grounds that it consisted of a set of cultural values held by the majority of people. Their claim was that the “little cultures” of peasants were not inferior to the “high culture” of the secularizing bureaucrats from the urban centers. Therefore, the DP introduced the popular local cultures into national politics for the first time in modern Turkish history (Logoglu, 1971: 176; Sayari, 1984: 126-127). This was an attempt to redefine the people as national subjects by integrating their living cultures into the “high” culture of the state.

The DP was successful in articulating an opposition to the RPP (Mardin, 1973 and 1983: 104-113; Saylan, 1987: 55-58; Cakir, 1990: 77-88; Pamuk, 1988). The RPP, on the other hand, was burdened by the hierarchical division of authority relations between the ruling elite and the masses as established during the 1930s. This division ran across a cultural divide between the “great” culture of the ruling elite and the “little” cultures of the people. Because of the hierarchical division which was essentially cultural in nature, Mardin (1973 and 1983) argues, the RPP had ruled without obtaining the legitimating support of the people. The DP, however, was successful in legitimizing the “little culture” of the people. The DP’s tolerant approach to Islam enabled it to spread widely among peasants and workers. This also provided the DP with a cultural fund for shaping opposition against the RPP (Mardin, 29 November 1957 Vatan Newspaper). The end result was a return to Islamic politics which had been removed from the political discourse of state-making during the 1930s.

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Islamists who appeared as a faction within the RPP\textsuperscript{16}, as well as DP members, were arguing that religion must be utilized in order to strengthen the national consciousness among the people, especially among the younger generations. According to them, religious education would help redefine people's identities as national subjects in a way that the police, the military and courts could not (December 25, 1946 Vatan Newspaper).

The most influential parliamentarian within the Islamist faction of the RPP was H.S. Tanriover. Religion, he stated, would create good protection against the spread of communism and other "divisive" foreign ideologies (Jaschke, 1972: 83). This conservative faction, in fact, was demanding a change in the state ideology toward a synthesis between Islam and Republican nationalism (December 25, 1946 and April 17, 1947 Vatan Newspaper; Jaschke, 1972: 85-100). Such a change, it was thought, would provide the state with a stronger basis for legitimacy.

Islamic conservatives presented secularism (as it was applied during the single-party era) as being anti-democratic because the freedom of conscience of the Muslim majority was being violated. These conservatives did not call for an end to secularism; they simply claimed that "true" secularism had never been practised in Turkey. They argued that secularism in Turkey used to be a means of keeping people under strict state control (Jaschke, 1972: 83). For Islamists, this was contrary to the very idea of secularism as it was contrary to democracy itself (Basgil, 1962: 145-150).

Similar arguments were also put forth by the DP in the 1950 elections when it proposed ending the prohibition on the call for prayer (ezan) and the reading of the Qur'an in Arabic. Their argument was that this prohibition prevented people from worshipping in the way they wanted and therefore violated their freedom of conscience (Tunaya, 1962: 226).

This, however, did not mean that the DP was going to be a channel for the political representation of the Islamic values of the peasantry against the modernization project of the RPP. That is to say, the DP did not articulate a traditionalist opposition of the "periphery" against the "center." It simply benefited from the conflict-ridden relations of the single party era between the various classes and groups in the

\textsuperscript{16} The Islamist faction within the RPP was known as the Reformist-Conservatives (İlahatçı Muhabirler in Turkish).
“periphery”, on the one hand, and the “center”, on the other. The DP recognized that the “high culture” of the ruling elite had no relevance to the everyday life experiences of the people. Religion, on the other hand, was taken as something real in the lives of people in the construction of their political identities. It was this recognition that provided a fertile ground for the DP to expand among the peasantry.

Thus, religion was going to be an important part of the construction of the national culture of the people as unified within the periphery. The DP’s approach to religion was followed by the RPP as well (Mardin, 1984 and 1986). The changes made in the implementation of secularism after 1945 by various governments of the RPP were a result of this recognition. The principle of secularism was amended at the Seventh Party Congress to respect religion as a matter concerning personal freedom of conscience. It would also protect the practice of worship from political threats or interference (Jaschke, 1972: 85-86, 98, 100). There were a number of significant changes initiated by RPP governments, including: the allocation of foreign currency for pilgrimage to Mecca; the restoration in February 1949 of religious instruction for primary school students in their 4th and 5th year of education; the initiation of Imam-Hatip (Prayer Leaders and Preachers) training courses for a period of three years by the Ministry of Education, and, the opening of a Faculty of Theology in Ankara University in January 1949 (Lewis, 1952: 41; Albayrak, 1991: 258-273). Considering the changes initiated by the RPP, it is fair to say that the RPP came close to DP’s position on peasants, in that it recognized religion as part of their living culture during the period when the government was conforming more closely to the idea of a multi-party regime between 1947 and 1950.

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17 The concessions made to religion were attempts to capture electoral support (Mardin, 1984 and 1986). President Inonu did not want to leave the DP to be the only political party to be expanded among the peasants.

18 Inonu stated this recognition in the Seventh Congress of the RPP which was held in 1947: “We have to take into account the national realities ... We have to respond to the moral needs of the nation and relieve the people from a feeling of being neglected by the government ...” (Quoted in Barutcu, 1977: 326-327).

19 These modification were made in the party by-laws despite a strong opposition from some delegates. According to Cemil Said Barlas, for example, it was “race” not religion which was to be the basis for the national identity and unity of people. He stated: “... necessary strength of the people (against a foreign danger) come from the noble blood of his race ...” (Quoted in Vatan Newspaper, December 3, 1947: Jaschke, 1972: 99). B. Kemal Caglar cautioned the delegates against those whose “minds have been covered by cobwebs” and stated that “the only reason behind the backwardness of this country is religion” (ibid). Others, such as T. Banguoglu, justified the single party mentality of law, order and strong state discourse by suggesting that religious reaction is developing against the reforms and progressive achievements of the Republic, and that it needs to be crushed (December 30, 1947 Vatan Newspaper).
7.3.2. The Synthesis between Kemalist Secularism and Islam: 1950-1960

When the DP came to power in the elections of May 1950 (the DP won 53.4 per cent of the vote and 408 seats against the RPP’s 69), the most important problem it had to confront was the necessity of making the peasants into national subjects. With the “big” changes introduced by the nationalist bureaucrats, more people from the countryside were actively entering society and making increasing demands, which forced the question of the daily life of people to be looked at as a collective unity problem of nationhood. The DP’s efforts at blending Islam with Kemalist secularism was a reconstruction both of the local-folk cultures of the people and the bureaucratic high culture.

The DP tried to link the secular concept of the Turkish nation, as constructed by Kemalist nationalists, with the living “little” cultures of the people as defined in Islamic terms. That is, the DP reintroduced Islam as a unifying ideology of nationhood and intended to connect the people more firmly than ever to the state. Islam became the founding principle in the DP’s reconstruction of the people as national subjects; that is to say, in recreating a political unity of people as citizens of the state.

The DP’s reconstruction project was actually an attempt to complete the nationalization process M. Kemal had started - toward the homogenization of the local popular cultures under a new Islamic orthodoxy in the state structure. This did not represent an Islamic radicalism against the secular structure of the state. That is, the “little” cultures of the people were not representing the values of an independent and separate Islamic community. Rather, they were cultural constructs of the state. It was an attempt to link the “little” cultures of the people to the “great” culture of the state.

This attempt was underlined by the integration of religious courses and schools into formal secular education. In addition to lifting the ban on the recital of the call to prayer (ezan) in Arabic and permitting the broadcasting of Qur’an readings over state radio, efforts were made to increase the number of mosques and to broaden the scope of religious education. The elective courses on religion which the previous RPP government had introduced in 1949 were included in the regular primary school curriculum for all students during the 1950-51 academic year. A rapid increase in the number of Imam-Hatip schools (schools for

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20 The exemption was granted to those students whose parents specifically asked the school administration in writing to exempt their children from courses on religion (B. Toprak, 1981: 80).
Prayer Leaders and Preachers) accompanied these changes. Between 1951-1952, seven middle level and lycee level Imam-Hatip schools were opened by the Ministry of Education. By 1958, their number had increased to 18 with 2476 students. In 1959 the first Higher Islamic Institution was also initiated.

The students of the Imam-Hatip Schools were mostly from the families of urban and rural small-producers (Gokce, et.al. 1984: 123). These schools provided alternative channels of upward mobility for the children of small producers who were placing a strain on Turkish higher education and employment structures (Mardin, 1992: 100). By the 1980s it became clear that these schools, along with the Imam-Hatip Lycees and Higher Islamic Institutes, had become a successful alternative educational system for the children of the rural small producers and urban lower classes.

In addition to broadening the scope of religious education, the DP also expanded the budget of the Directorate of Religious Affairs in order to build new mosques, maintain the old ones, and increase the living standards of religious personnel. The amount of money allotted to the Directorate was increased from about three million Turkish Liras in 1950 to eight million Turkish Liras in 1951. Between 1950 and 1960 this figure increased regularly, reaching approximately 40 million. During the years in which the DP ruled (1950-1960) 15 thousand new mosques were built. Between 1951 and 1954, a total of 616 mosques and historical shrines were repaired. More than 5.5 million Turkish Liras was allotted to the Directorate-General of Pious Foundations for repairing mosques and shrines (B. Toprak, 1981: 80-81).

These changes, which were introduced during the DP era, amounted to no more than the reintroduction of the call to prayer in Arabic and an expanded religious education in schools, programs

21 When the DP was ousted from office by the military coup in 1960, other parties continued on the DP's legacy of expanding religious education as soon as the competitive politics were restored. In 1961, the Department of Religious Education was established within the Ministry of Education. Between 1965-1969, the Justice Party, as the follower of the DP, established three more Higher Islamic Institutes and 40 more middle level Imam-Hatip schools (Dincer, 1974: 66-67; Yavuz, 1969: 63-64). During the academic years between 1963-1964 and 1971-1972, under the Justice Party ruling, the number of Imam-Hatip school students grew 611 per cent. The growth of all other technical and non-technical vocational students, on the other hand, was only 127 per cent (State Planning Organization, 1973: 755). By 1977, the number of Imam-Hatip Schools increased to 320 and by 1980 this is over 500 (Ozbudun, 1987: 143). By 1971, the Imam-Hatip Schools were granted the status of professional schools of lycee level. The number of Higher Islamic Institutions was also increased. By the mid-1980s their number reached 8. In 1982, these Higher Islamic Institutions became Theology Faculties.

22 Despite the numerical increase in the Directorate of the Religious Affairs budget, the rate of increase was very insignificant. The rate of the Directorate budget to the total budget of all ministries and affiliated offices was 0.2 per cent in 1950 and reached only 0.8 per cent in 1960 (B. Toprak, 1981: 81).
which were already initiated by the former RPP government. The DP's most consistent policy was to encourage a tolerant program of religious education (Reed, 1954: 281). This policy of religious tolerance, however, could not be described as an Islamic renaissance.

The government allowed Islam to be taught in a way that would enable the state to spread itself in the countryside, as long as Islamic institutions were not recreated outside and apart from the state (Dodd, 1979: 76). The program of religious education established the link between religion and the state by offering a blend of Islamic and secular courses. The state strictly regulated religious education (Tarhanli, 1993) and the graduates of these schools were to become prayer leaders and preachers employed exclusively by the state.

7.4. Conclusion

In this chapter I have analyzed the actual route taken to a liberal democratic regime, and the role played by actual class and popular struggles. This transformation was fuelled by the complex interplay between domestic and external forces. The emerging Cold War state system undermined the authoritarian regime of nationalist bureaucrats, releasing both peasants and other economic categories of the private sector to assert their growing discontent with the statist-protectionist economic policies of the RPP.

The period from the founding of the DP in 1946 to 1960 when the DP lost the government marked a new chapter in Turkish history. The DP's election victory in 1950 represented an entirely new phenomenon in Turkish politics, not because of its program (which closely resembled that of the RPP after 1947) but because it was the first political party with a genuine mass following in Turkish history. The DP activated the first full-scale mobilization of Turkey's multi-class populist alliance. In the process, the statist economic policies and militant secularism of the RPP were called into question. Local popular cultures were recognized along with religion and reconstructed as part of the national culture. This enabled the peasants to conceive themselves as citizens of the state, and facilitated the articulation of the Kemalist nationhood project with Islam.

What ultimately constrained bureaucracy was the sanctity of private property as argued by private capital groups and as strongly endorsed within the political-military framework of the Truman Doctrine. If
the society was to be transformed along the lines of a liberal economy, then, the bureaucracy with its protectionist-statist policies could not maintain its dominant status within it.

In the following chapter I will examine the shift in economic policy from a statist-protectionist model to a market-oriented model in Turkey. This will be done in the context of the emerging Cold War, when the Truman Doctrine was launched on March 12, 1947, and the Marshall Plan was put forward in June 1947. I will be focusing on the actual class and popular struggles which brought about this transformation and the role played by the availability of American economic and military aid in undermining the policy goal of national industrialization.
In chapter 6 I argued that the goal of the Kemalist project was to build an articulated national economy. Under the conditions of economic isolation during the Great Depression of the 1930s, the particular experience of Turkey took the form of statist-protectionist industrialization.

In this chapter I account for the processes by which Turkey was incorporated into the capitalist world economy, organized under U.S hegemony. I suggest that Turkey's economy went through a major shift between 1947 and 1950. The transition in economic policy was from industrialization to rural and agricultural development. The basic elements of the model came into being as a result of the Truman Doctrine, initiated on March 12, 1947, and the Marshall Plan, declared in June 1947. During this period, both the DP and the RPP shared similar economic and ideological principles associated with the liberal world economy and the growth of international trade and exchange. The DP's rural-agricultural economic development policy was an expression of its populist orientation. This populist bent in the economic policy was merged, during the 1950s, with the Kemalist ideal of industrialization. The DP tried to combine export income from agriculture with the inflow of foreign aid in order to import as many industrial inputs as possible to assist in the industrialization process. After 1954, it became clear that it was not possible to maintain this policy based on a high level of imports. A decline in agricultural export earnings, resulting in a balance of payment crisis, posed a serious challenge for the government's populist economic policy. The IMF imposed a stabilization program in 1958. This period ended in 1960 with the military coup.

The central question of the chapter is why the RPP government and its nationalist bureaucrats, who, during the 1930s, saw national industrialization as the basis for the independence and sovereignty of the newly founded nation-state of Turkey, wanted to abandon it at the end of WWII. I argue that the bureaucrats viewed market-oriented agricultural development as a temporary way of reconciling the nationalist attachment to the nation-state with the larger forms of economic and political-military organization which were coming into being as a result of the Cold War. Given the absence of domestic investment capital on a large scale, they considered the extension of American economic and military aid to
Turkey to be of vital importance for the continuation of national industrialization. On the other hand, the Marshall Plan made the provision of “aid” to Turkey conditional to an economic policy shift from industrialization to agricultural production. Nationalist bureaucrats thought that they could manipulate the conditions of aid in exchange for Turkey’s military-strategic importance in Cold War politics. This strategy was firmly consolidated during the period between 1950 and 1960 when the DP was in government.

In order to develop my argument, I will analyze the Marshall Plan’s connection to the organization of an open world economy in greater detail. This will allow a better understanding of the rationale behind the conditionality of American “aid”. Only by uncovering the essence of the Marshall Plan can we fully appreciate the reasons for Turkey’s economic policy shift from national industrialization to rural agricultural production and from statism to a market model. After describing the changes in Turkey’s economy, I analyze some of the implications of this policy choice for the construction of a new form of state power which characterized by a shift in political alliance structure. This analysis will be situated within the context of the growing Cold War politics in the Middle East and the military bloc formation in the post-war state system. The focus will be on the containment of nationalist movements in the region; particular attention will be placed on the Suez crisis and the Eisenhower doctrine of the late 1950s. I will then be in a position to reassess the central tension between the bureaucratic-nationalist and liberal-populist policy alternatives in Turkish politics.

8.1. The Marshall Plan: Towards an Open World Economy

The primary political objective of the United States in the immediate aftermath of WWII was to organize a multilateral open world economy (Block, 1977; van der Pijl, 1984). However, there is an obvious diversity in national economies, social structures and political systems. There is not one unique way of organizing a particular form of national economy; but a multiplicity of ways and possibilities, depending on the social-political context of the national space. This suggests that the U.S faced a considerable challenge in trying to organize a specific international order. Its task was to define and manage the rules and institutions by which national economic strategies of states would function. This required a plan whereby various aspects of labour, production and finance would be coordinated so as to evolve along
complementary lines.

The policy goal of the United States at the end of the war was to overcome the variety of possible strategies for organizing national economies, and to link each state to one another within a new international framework. Toward that end, the most important institutional arrangement was the creation of the Bretton Woods monetary system in 1944. It was based on the convertibility of the dollar into gold at a fixed price, through which national currencies would be converted into dollars at a fixed exchange rate (Gardner, 1969; Block, 1977).

It was a well-established fact, however, that, at the end of the war, European countries (and most of the globe, for that matter) had neither gold nor dollar reserves to be used in a multilateral open world economy (Triffin, 1957: 31; Armstrong et al., 1991: 29). The European dollar shortage could have been remedied by maintaining old bilateral trading arrangements and other forms of national-protectionist planning without resorting to the monetary arrangements of the Bretton Woods agreement (Block, 1977: 52-53; Milward, 1984). France, for example, had a post-war economic recovery plan, adopted in March 1946, known as the Monnet Plan (Monnet, 1978). Its goal was to make France more competitive in its manufacturing industry by giving the French Central Bank and other planning institutions a primary role in developing and implementing national monetary, trade and investment policies. Similarly, British post-war economic restructuring plans included bilateral trade arrangements with the states in the Sterling area and restrictions on imports from dollar zone exports (Armstrong, et al., 1991: 61-62; Milward, 1984: 100; Gardner, 1969: 18-20). These national plans evolved along the broadly protectionist lines of the old colonial trading regime.

The success of the Bretton Woods monetary system was, therefore, dependent on the creation of a new international trade regime within which Europe would increase its dollar earnings. The International Monetary Fund (IMF), the International Trade Organization (ITO) and the General Agreement on Trade and Tariffs (GATT) were, therefore, negotiated and, with the exception of the ITO, created in order to

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1 Western Europe, for example, had lost about $2500 million in gold and dollar holdings by 1947 (Triffin, 1957: 31). The only surplus country at the time was the U.S which, during the period between 1914 and 1941, accumulated a surplus of $18.000 million. About 90 per cent of this surplus accumulation took place over the period between 1934 and 1939 (BIS, 1st Annual Report, 1948: 115).
establish non-discriminatory trade practices through a general reduction in tariffs, and to restore exchange stability around the Bretton Woods monetary system (IMF, 1946: 9-11). The ITO, proposed as an agency of the UN, was to be an instrument for the reduction of tariff barriers and the elimination of protectionism in international trade. As a result of this proposal, the GATT was negotiated in Geneva in 1947, and a charter for the ITO was drafted in Havana in 1948 (ITO, 1947).

Multilateralism required the U.S and Europe to open their protected domestic markets. However, the process of restoring a liberal principle in the world economy was not a smooth one. It was subject to conflicts and contradictions. Its limitations resulted from the nationalist capitalist planning strategies arising out of the national political alliances which favoured it (Block, 1977). In this respect, not only European states, but the U.S administration was also unwilling to reduce its own tariff barriers. U.S reluctance to reduce its tariffs shaped the post-1945 U.S policy in the restructuring process of international trade and production (Block, 1977; Friedmann, 1993). The U.S national interest consisted of opening up other markets both to export its surplus products and to increase private investment abroad by American corporations, while protecting its own domestic market from imports. American protectionism was clearly evident in food production (Friedmann, 1993). The U.S strategy was to export large food surpluses, generated within the protectionist framework of the New Deal and, then, increased through the industrialization of agriculture (e.g. agro-food business).

U.S unwillingness to reduce its own tariffs and European (British and French, in particular) insistence on protectionism triggered a near breakdown of the Bretton Woods monetary system. The Havana Charter of the ITO did not find acceptance within the U.S administration. In fact, President Truman did not even present it to the Senate for ratification (Clough, 1968: 543). As a result, the ITO was never organized.

The constitution and viability of an open world economy was, therefore, to be sustained by other institutional arrangements governed by U.S hegemony. In its new dominant role, the U.S administration devised a Recovery Programme for Europe (Milward, 1984). The issue for the U.S government was not the recovery of Western European economies, but the form this would take - whether it would be cooperative or competitive with the U.S economy (Kolko and Kolko, 1972: 337-338). This concern was intimately
linked to the containment of nationalist regimes. The question for U.S policy makers was again not how to contain these regimes in their domestic contexts, but rather, what this threat would mean for American political influence in the state system. The central interest of the U.S government was the reconstruction of new political alliances favouring the enhancement of economic relations with American capital. Truman in his speech at the Baylor university on March 6, 1947 made it clear that U.S firms must not have to compete with state owned or state planned economies. According to him, there was no place in the world for diverse economic systems: there must be either communist or free enterprise capitalism (Fleming, 1961: 436-437).

The American strategy consisted of supplying dollars to Europe in the form of “aid” in order to improve Western Europe’s capacity to earn dollars without resorting to protectionist policies. Also of strategic importance was the need to allow American corporations to make large private investments abroad while bringing the old bilateral-colonial trading and payment mechanisms to an end (Kolko and Kolko, 1972; Block, 1977: 9, 89-92; Kolko, 1990: 419-445). The competitive growth of European economies was to be prevented.

The invention of military and economic aid through the Marshall Plan was the first step in this project. Marshall aid was strongly linked to a policy of anti-communism as outlined within the framework of the Truman Doctrine (Truman, 1955; Block, 1977; Wood, 1986). It was within that framework that an international consensus was reached in liberal principle (van der Pijl, 1984; Block, 1977).

The Marshall Plan envisaged different economic restructuring strategies for Western Europe and the states of the emergent “Third World” (Wood, 1986). For the economies of Western Europe, it involved the restoration of their industrial productive capacity. They were to be restructured along a Fordist economic model, based on mass production and mass consumption as mediated by full employment and a high wage policy (Kindleberger, 1987; Lipietz, 1987 and 1982). With the Marshall economic aid plan, the Fordist model, which was an American model of industrialization/capital accumulation (Aglietta, 1978), was exported to Western Europe. This underpinned the historical character of the Atlantic political economy as it evolved between the U.S and Western European capitalist economies, sometimes in cooperation and sometimes in competition (van der Pijl, 1984).

For the states of the emergent “Third World”, the Marshall Plan had major political, ideological
and economic implications. The term “Third World” was not used officially in the content of the Marshall Plan, nor was the concept of “underdeveloped” or “undeveloped” utilized to describe these states. Nevertheless, it came to describe those states which were either formal European colonies or mandates of Asia and Africa, and some newly founded independent nation-states (as was the case with Turkey! Latin America was excluded from the Marshall Plan). Whether or not they were European colonies, there was one thing in common among these states. They were all situated within the European sphere of trading arrangements to some degree. The intention of American policy makers was to break the bilateralism between them and Western Europe.

The Development Dictionary edited by W. Sachs (1992) suggests that “underdevelopment” was invented as a post-1945 project for the colonial, post colonial and new states of “Third World”. According to Esteva (1992: 6-7), the era of development began on January 20, 1949 when President Truman was inaugurated as president of the United States. Truman used the concept “development” as a remedy to underdevelopment. He declared:

We must embark on a bold program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas. The old imperialism is dead - exploitation for foreign profit - has no place in our plans. What we envisage is a program of development based on the concepts of democratic fair dealing. (Quoted in Cowen and Shenton, 1996: 7).

Even though the concept was not defined by Truman, the post-1945 understanding of underdevelopment implied the failure of the capitalist industrial economy to be reproduced or constructed in the Third World. According to Cowen and Shenton (1996: 7), this was not an invention of President Truman; neither was it originally construed as part of a new imperial project for the colonial and post-colonial “Third World”. The word was probably used in the early 1940s to provide an economic basis for post-war international order. What is significant about Truman’s approach is that the idea of development

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was tied to that of state sovereignty in opposition to colonial economic arrangements.

By attaching the notion of development to state sovereignty it did not mean that the American policy makers were offering a programme for capitalist industrialization in the “Third World”. The notion of development was an expression of the world power on the part of the United States towards constructing a framework for an integrated open world economy. The intention was to prevent Europe from realizing unilateral exchange controls, bilateral and barter trading with its former colonies (G. Kolko, 1988: 42). Moreover, it was to provide the economic basis for breaking the old colonial economic division of labour between Western Europe and the “underdeveloped” world.

The economic implications of the Marshall Plan for the emergent “Third World” were twofold: 1-These states would increase their purchasing power in order to provide the market for European industry; 2- they were expected to be dollar earners through raw material exports to the U.S. This, in return, was to attract American private investment (Wood, 1986: 40-41). Through incorporation into such a triangular trade model, the Third World was expected to mediate dollar flow into European economies. The particular development strategy for the Third World was based on raw material production which would be forced to rely on foreign investment as the only possible industrialization strategy (Wood, 1986: 46).

The institutional framework for economic multilateralism (the Bretton Woods monetary system, the IMF, GATT, and the invention of economic and military aid) was aimed at overcoming national economic planning. The post-war international order was created to transcend national control over the monetary, trade and investment policies of the nation-states (van der Pijl, 1984: 138-149). After all, the Bretton Woods monetary system created a dollar system which linked various postwar institutions under U.S hegemony (McMichael and Myre, 1991). The new international order marked a decisive break with the

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4 Cowen and Shenton (1996) argue that the late nineteenth century, which has conveyed to us so much about the progress of industrial capitalism, has hidden from view the specific origin of the term ‘development’ before 1850. When the progress of industrial capital was seen to be faltering, in Britain in any rate, towards the end of the century, ‘development’ reappeared at the heart of the debate over how state policy towards labour and industry in Britain and the new colonial empire in Africa should be conducted. After 1910s and until the late 1930s, development, again, was largely hidden from view. They suggest that we should not be surprised, therefore, to find the commonly-held belief during the 1960s and 1970s that ‘development’ arose at the beginning of the late colonial period in 1945. That is, the notion of ‘development’ was first used before 1850. The years between 1890 and 1910, in turn, denote a period of ‘the first development debate’. While the post-1945 period is characterized by an adherence to nationalism for the purpose of constructing industrial capitalism in the “Third World”.
nation-state in several fundamental respects. An ideology was constructed in which the "free world" would be united against "communist threat". There was also a reorganization of the postwar monetary system, a major shift in trade and production relations, and limitations imposed on national armed forces (Kaldor, 1995: 75-79).


I will now proceed with the question of how Turkey's place in the construction of an integrated post-1945 world economy was determined. My argument is that the American military and economic aid played the decisive role in determining Turkey's position. It is not easy to determine the separate effects of military and economic aid. Nevertheless, suffice it to say that both aid mechanisms, even though military and economic relations are separate from one another, were intertwined in the conjuncture of the emergent Cold War politics.

Having become part of the "free world" after the transition to the multi-party political system, Turkey became eligible for American aid. The first aid agreement signed by the RPP government of H. Saka on July 12, 1947, was for military purposes (Ayin Tarihi, N. 166, September 1947: 27). The agreement was based on the Truman doctrine of containment. American aid would be used to contain the "communist threat" in Turkey while the U.S guaranteed its commitment to provide the military protection of the Turkish territories, including the Straits, against the much contemplated Soviet threat. The most controversial aspect of the Agreement was Article 4, which gave the U.S undisputable control over the Turkish government's use of aid for the national armed forces. Article 4 required the following: "... The Turkish government without the approval of the U.S government will not use the aid for the purposes other than assigned by this agreement and relevant content" (Sander, 1979: 27). With this agreement Turkey was required to obtain U.S approval regarding very vital issues of national independence and sovereignty. All decision-making in relation to military strategy, use of military forces, money and weaponry was reserved for the American approval. In fact, it was the same article of the agreement which contained the seeds of conflict between Turkey and the U.S over national sovereignty rights within NATO. For example, the
American embargo imposed on Turkey during the Cyprus War of 1974 was a direct result of this conflict. I will return to this argument in the following chapter.

The American Congress in 1947 approved $100 million worth of military aid to Turkey. Within the first 9 months, after its approval, Turkey received $69 million (Sander, 1979: 21). All of it was used for military related road and airport construction and the education of military personnel. At the end of this period, in 1948 American military aid to Turkey was transferred to the European Recovery Administration.

Despite its problems with the content of the 1947 military aid agreement, pertaining to Article 4, the RPP government was hoping that American military aid would reduce Turkey’s military expenses so that the war-time savings of Turkey\(^5\) could be utilized for national industrialization. In 1946, a new economic five year plan was drawn up by the RPP. It was similar to the pre-war industrialization plan with an emphasis on autarky and state control. In fact, the Second Industrialization Plan which was developed with the help of the Soviet Union during the 1930s was reactivated with the 1946 plan (Serin, 1963: 113; Aydemir, 1979: 397-419).

Because of its war-time dollar savings and the RPP’s desire to use dollar grants for the industrial development plan of 1946, the extension of Marshall economic aid to Turkey was opposed by the American government. This was spelled out in the Paris Conference, convened on June 27, 1947. The Conference determined the conditions of aid for the European recovery program on the basis of the rejection of nationalist capitalist planning in Europe. The Paris report listed U.S objections to the extension of Marshall aid to Turkey. These were: 1- Turkey has instituted national planning for a long-term heavy industrial development. This plan would not make any contribution to the European recovery plan. In order to be considered for aid, Turkey should change its economic policy towards increased grain production directed to European markets; 2- Turkey has 600,000 men in the army. This leads to a substantial dollar shortfall in the financing of agricultural equipment imports. Thus, Turkey should reduce its military expenses, and purchase import agricultural machinery with its wartime dollar savings (16 January, 1948 \textit{Ulus Newspaper}; February, 1948 \textit{Ayin Tarihi} N. 171).

\(^5\) During the war years Turkey had saved $260 million (Sander, 1979: 25). There was no deficit in the national budget, and the state economic enterprises, especially Etibank and Sumerbank, were in surplus (Aydemir, 1979: 418).
As previously noted, Turkey’s inclusion in the Marshall aid program was conditional on shifting its economic planning from national industrialization to agricultural production and moving away from statism to a market model. In order to receive aid, the RPP government and its nationalist bureaucrats, who, during the 1930s, saw national industrialization as the basis for the independence and sovereignty of the nation-state of Turkey, abandoned it in favour of the growth of market-oriented agricultural production. The decisive element in the RPP’s decision to comply with the recommendations of the Paris report was that the RPP wanted to confirm Turkey’s status within the emerging Atlantic alliance as a “democratic” European state.

It was obvious at the Paris Conference that the distribution of Marshall aid was based on the political division of Europe into military blocs. The Paris Conference was decisive for the political division of Europe in terms of the distribution of Marshall aid. The Soviet Union also participated in the Paris Conference (Rubinstein, 1989: 81-82). But, by July 2, 1947, it had withdrawn - forcing all Eastern European states to withdraw as well. Moscow claimed that an integration of the various national economies under the Marshall Plan would require the Soviet Union to abandon its own plans for Eastern Europe’s industrialization under a five-year economic planning program. The Soviets also believed that integration would strengthen the pro-Western fractions in Eastern Europe against socialism (Smith, 1963: 31). After withdrawing from the Paris Conference, the Soviet Union called at the Cominform for all Communist parties to act in opposition to the Marshall Plan (Zhdanov, 1947). Stalin’s strategic objective in Cominform (Communist Information Bureau) was to consolidate Eastern Europe. The Soviet Union’s organizing of Eastern European states into a formal Cominform, at a special conference of Communist parties in Polish Silesia on September 22 and 23, 1947, represented a foundation for Communist unity under its leadership. This was followed by the formation of NATO in 1948 under the leadership of the United States. The focus of the Cominform and NATO was the antagonism between capitalist and socialist systems.

The RPP government did not want Turkey to be isolated in the emerging European defense program. It considered the extension of the Marshall aid to Turkey as an important step in Turkey’s incorporation into the European defense program. This was to confirm Turkey’s strategic status as a European country. The Ulus Newspaper which acted as the newspaper of the RPP expressed the concerns
of the government as follows: “Not to be included in the Marshall Plan will leave Turkey alone in European politics” (Ulus Newspaper, 19 April 1948). Another report from the same newspaper stated:

“The Paris Conference which was held within the context of the Organization of the European Economic Coordination is not only for the economic recovery of Europe; but it set the criteria for the future political defense program ... In this respect, Europe is not a geographical area of interest for Turkey, but also a symbol of liberal democracy for the fate and future of the new world order” (Ulus Newspaper, 18 March 1948).

With the Turkish-American economic cooperation agreement signed in July 4, 1948, Turkey became part of an overall European Recovery Administration and began to receive Marshall aid. By this time, national industrialization plans were totally given up in favour of the growth of agricultural production. Nevertheless, industrialization as an ideal for national economic development was never abandoned. From 1947 onwards, once the RPP silenced the hardline statist faction within the party, the programs of the RPP and the DP hardly differed. Both parties emphasized agricultural development along the lines suggested by the theory of comparative advantage while maintaining the goal of industrialization.

The RPP began to place much more emphasis on the development of agriculturally based industry (instead of heavy industry), rural and agricultural development, and the importance of private capital in investment. The shift in economic policy was exemplified in the 1947 Seventh Congress of the RPP and the RPP’s official election declaration of 1950 (Ayin Tarihi, May 1950). At its 1947 Seventh Congress, the RPP adopted a policy of limited state entry into the economy. Economic activity of State Economic Enterprises (SEEs) would be restricted only to fields where the private sector would have difficulty in succeeding on its own (Ilkin and Tekeli, 1974)⁶.

This view was clearly spelled out in the 1948 Istanbul Economic Congress where participants argued that the statist economic policy was historically necessary during the 1930s in order to provide protection for the emergence of a national industry. However, the Congress warned that the persistence of a statist model would prevent further industrialization. Consequently, they insisted on a mixed economy.

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⁶ Despite these changes in the RPP program, it was still the hope of the government to continue on national industrial development plans. Minister of State, N.E. Sumer stated on March 20, 1949 that "Turkey will utilize the aid in the areas of production towards an articulated national economic development". C.S. Barlas, Minister of State, also stated the same objective: "Turkey's relation to the Marshall Plan is different from the European states. They (Europe) will buy food with this aid, but we will use it only to increase industrial productive capacity" (Quoted in Gorluobol et all, 1987: 450).
According to the proposed model, the state would remain in public services and enter into economic activity which the private sector would find unprofitable. The state would also provide protection for the private sector by withdrawing completely from all economic activities of interest to private enterprise (Karpat, 1959: 296-298).

Together, the Truman Doctrine and the extension of Marshall aid to Turkey in 1948 played a decisive role in situating Turkey in the postwar world economy as an agricultural economy. Inclusion in the Economic Recovery Administration required Turkey to make a direct contribution to the economies of Western Europe and of the United States. The argument was as follows:

"An extension of the use of fertilizer, agricultural implements and machinery, the reclamation of land through drainage and irrigation, and the improvement of transportation within Turkey can be combined to increase output, eliminate waste, and improve distribution to a marked degree. These measures ... make greater quantities of food-stuffs available for export to other ERP countries. Exploitation of Turkey’s mineral resources can provide Turkey with added exportable surpluses; ... chrome is of vital interest to the United States for strategic purposes" (US. ECA., 1949: 2-3).

I have argued above that the government of the United States had created and perpetuated the view that development was a remedy for "underdevelopment" among the elites of colonial Asian and African societies. In doing so, the historical focus of American policy makers was on the decolonization process. Turkey, on the other hand, was a sovereign nation-state that had never been colonized. And, during the 1930s, it had achieved substantial industrialization under the ideological guidance of statist-nationalist planning. Nevertheless, by virtue of its incorporation into the scheme of the American aid program in 1948, Turkey’s economy was also defined as "underdeveloped" in terms of the level of industrialization and the lack of emphasis given to agricultural production techniques.

A report was written in 1949 by an American fact-finding mission in Turkey, which was headed by American industrialist M.W. Thornburg of the World Bank. It described the "underdevelopment" of Turkey’s economy in terms of the gap between a few-isolated examples of twentieth century industrial technology in state enterprises on the one hand, and agricultural techniques which dated from Hittites times, on the other. Thornburg argued that the industrialization effort did not improve the general well-being of the citizens of Turkey. Instead of investing in state industries, the report argued, Turkey should increase its agricultural productive capacity and invest in road construction, infrastructure, and agriculture-
based industrial projects (Thornburg, et al., 1949: 91, 141-142). The report reinforced the economic policy arguments of the DP, and was entirely consisted with the development plan of 1947 formulated by the RPP government and the recommendations of the Istanbul Economic Congress of 1948. I will proceed with a discussion of how this project of agricultural and rural development was implemented in Turkey.

8.3. Rural Producers as New Partners in Coalition Politics: 1950-1960

As far as the changes from a statist, autarkist economy and national industrialization to a market-oriented, rural-agricultural development project are concerned, the crucial turning point was not the DP’s coming to power in 1950, but the decisions made by the RPP governments between 1947 and 1950. The shift in economic policy initiated by the RPP corresponded to the necessity of the agricultural development project emphasized in a number of American reports. It is the case, however, that the DP was the most vocal supporter of economic liberalization and agricultural-rural development projects. The DP’s role was to implement the liberalization policies which the RPP had started, with great vigour once they were in power. Both the RPP and the DP were in agreement on building a strong base for industrialization. The difference was that for the DP, more than the RPP, any serious industrialization effort would have to start from an agricultural base.

American military and economic aid played an intervening role in the creation of a new interest structure by directly determining the economic policy choice of Turkey, and, thereby, reframing the political alliances in the state structure. The RPP’s submission to the developmental ideal of American experts regarding Turkey’s agriculture, in exchange for aid, determined the domestic political framework within which the DP mobilized rural voters against the RPP government, and subsequently won the elections in 1950. The U.S defined Turkey’s economy as “underdeveloped” because of the lack of emphasis placed on agriculture, and wanted the nationalist bureaucrats to abandon the industrialization project. The DP formulated a developmental ideal for agricultural policy which placed a very high value on village community. What this amounted to essentially was nothing other than the development of a community of rural producers. The value of village community was counterposed to the economic and political impairment of villagers/rural producers under the industrialization project of the RPP.
governments. The RPP period between the 1930s and 1940s was identified as being "unjust". This "injustice" arose out of the fact that the RPP failed to acknowledge and appreciate the value of village community and rural producers. The DP government was now in a position to take away the bureaucratic tutelage and dominant role played by the bureaucrats in tutoring the rural population towards a modern/industrial society. The new partners of DP coalition politics were to be both the large and small producing farmers from the countryside.

My argument is as follows. The DP's economic policies worked toward greater integration of the peasants in the national economy and made them important players within the domestic political context of Turkey. Despite the fact that Marshall aid led to the modernization of agriculture, which resulted in unprecedented expansion of agricultural production and export earnings by large landowners, this process did not necessarily work at the expense of small producing family farmers. Market-oriented agricultural production resulted in a differentiation within the countryside in terms of the amount of land cultivated, tractor ownership, access to credits and loans. Yet this differentiation did not produce class polarization, nor did it increase the power position of large landowners.

Under the direction of Prime Minister Menderes, the DP, for the first time in Turkish history, put the interests of rural producers (both large and small) first. The mechanisms for this policy were massive state subsidies and cheap credits to the farmers, a high price policy for agricultural products, the expansion of land under cultivation, and mechanization in agriculture. The DP considered investment in agriculture as a matter of correcting the "injustice" done by the RPP against the peasantry (Pamuk, 1988). For the DP, therefore, agricultural development was a matter of social justice (Menderes, December 21, 1952 Zafer Newspaper; Menderes, 1967: 116). Undoing the "injustice", according to Menderes, did not only mean encouraging agricultural development, which was associated with the prosperity of peasants, it also meant articulating agriculture with industry. The DP wanted to make agriculture a source of demand for domestic industry - to restructure industrial production so that it would respond to the needs of village community.

He outlined his vision in a speech delivered in 1950:

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7 The social injustices of the RPP were defined as its imposition on the peasants of forced sales, confiscations and arbitrary exactions carried out by gendarmerie and tax collector (Pamuk, 1988).
“Whatever needs to be done by a civilized nation, we will do it. No roads? We will build them! We will bring water and roads to the villages. The land is not fertile? We will make it fertile! We will distribute land to the landless villagers. No houses? No cement, factories or food? ... Inadequate clothing? ... No electricity? ... No schools? We will build them! We will make them available for our villagers!” (Quoted in Aydemir, 1969: 228-229).

Under the DP government Turkish agriculture was mechanized and transformed. Supported by large scale Marshall aid funds (until 1952), the DP government imported a large number of tractors from the U.S. While the number of tractors was 1,750 in 1948, it reached 31,415 by 1952. By 1957 there were 44,144. The number of harvesters, during the same period, also increased from 994 to 6,523 (Ahmad, 1977: 135). The portion of land cultivated by tractors rose from 8.6% in 1950 to 14% in 1960 (Hale, 1981: 95). The government’s cheap credit policy allowed these tractors to be purchased on credit. In a 1952 survey conducted by the Faculty of Political Science of Ankara University, 93 per cent of the farmers who owned agricultural machinery were found to have financed up to 60 per cent of the cost of their tractors through government credits (Agricultural Mechanization in Turkey Survey, 1954: 119-120).

Some 70 per cent of the tractors were purchased by large and middle level farmers as compared to only about 20 per cent by small producing family farmers. The rest were purchased by the government to be utilized on state farms. As a result of the introduction of tractors, more than 79 thousand sharecroppers were released from large farms (Singer, 1977: 206).

Although this did not result in the development of large scale capitalist farms in Turkey, it did consolidate independent small producing family farmers. The sharecroppers’ response to the loss of their tenant status (due to introduction of tractors into large farms) was to reclaim land from the state-owned village common lands. Since the DP was either opposed to the land reform (as was the case with the 1945 Land reform Bill) or unwilling to encourage large scale urban migration, it undertook a land distribution program. The government policy was to formalize the transfer of newly opened state lands to the private ownership of landless or least propertied small producers (Tarakli, 1976). This policy was in line with the policy recommendations of the International Bank for Reconstruction and Development (IBRD) which stipulated that the government must adopt a new land redistribution program to settle poorer peasants on new lands. This was recommended to discourage rural-urban migration and decrease urban unemployment levels (IBRD, 1951a: 62, 75, 126). As a result, the number of owner occupied farms increased from 2.3
million in 1950 to 2.5 million in 1952 and to 3.1 million in 1963. This constituted a 30 per cent increase in the number of small producing family farms during the 1950s. The proportion of village families who did not own their land had declined from 16 per cent in 1950 to 10 per cent in 1960 (Keyder, 1987: 131).

Thus, the most important change in the structure of agricultural production which occurred with the introduction of tractors was the increase in the amount of land under cultivation - largely due to the conversion of public lands to private use, and the increase in the small ownership of land. Throughout Turkey during the 1950s, the amount of land under cultivation increased by about 67 per cent, while the population increased only 20 per cent (Margulies and Yildizoglu, 1987: 281). In the case of wheat, for example, from about four million hectares sown to wheat in 1947, the total amount of land sown increased by 70 percent to seven million hectares in 1955 (Mann, 1980: 198). These increases in land acreage were partly the result of the destruction of forests. The amount of land acquired from forestry was equal to 22% of the total cultivated land in 1948 (Tekeli, 1977: 30).

Even though the DP was opposed to land reform, it was responsive to the demands of peasants who held little or no land (Pamuk, 1988). This, according to Keyder (1987), represented the consolidation of small producing peasants in the economy, as opposed to the view developed by Kiray (1968) and Hinderink and Kiray (1970), that the DP created a class of future capitalist farmers out of large landowners. The evidence for this argument was that the expansion of land under cultivation favoured small ownership in particular. There was no enclosure of agricultural farms by large landowners. Those peasants who were released from the land later became small producers on their newly reclaimed lands.

In relation to the distribution of government credits, the DP did not favour large farmers at the expense of small producers. Small loans made up 88% of the loan numbers, and represented 42% of the total credit distributed by the Agricultural Bank. Large loans constituted 15% of total credits and were

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8 Keyder's calculation is based on an average household size of 5.7. This is the figure found in population censuses of the period.

9 This was because the DP was opposed to land reform as it was clearly expressed in 1945 against the Land Reform Bill.

given to only 0.48% of the farmers (Koksal, 1971: 499-528). What is more important about the
distribution of these credits is that agricultural machinery was also made available for a wider group of
producers, and not just large landowners (Keyder, 1983a: 143). This was true despite the fact that between
1948-1956 the number of animals used in agriculture increased by 5.6%. Animal power was used mostly
by small producers. The land cultivated by animals on small family farms, during the same period,
increased from 13,768 thousand hectares to 19,173 thousand, with a 40% increase (Tekeli, 1977: 15).

Another government policy, albeit highly inflationary, which contributed to the decline in
sharecropping and its replacement by commodity production by small farmers is related to the state price-
support program. Between 1946 and 1950, the RPP government had reduced the price of wheat by 10%.
Between 1951 and 1955, the DP increased wheat prices by 16% (Avcioglu, 1979: 620) and set the price of
bread low. Because of the difference between the government purchase price and the sales price, the loss of
the Soil Products Office was covered by Central Bank credits (Bulutay and Yildirim, 1968).

In addition to the increase in acreage under cultivation and mechanization in agriculture, the DP
aimed to increase yields as well. Marshall aid was therefore utilized, not only to import tractors, but also to
import high yield varieties of seeds and fertilizers. In the case of cotton production, for example, in 1950
only 42,000 tons of fertilizer were used. By the beginning of 1960 this volume had risen to 422,000 tons
(World Bank, 1975: 190).

The increase in land area under cultivation, and the availability of high yield seeds and fertilizers
enabled Turkey to increase its food and cash crop production sharply. Between 1950 and 1953 Turkey
experienced a phenomenal economic growth rate of 13 per cent a year. During the same period, the
increase in the volume of agricultural exports was approximately 50 per cent (Keyder, 1987: 294).
Agricultural expansion assisted through Marshall aid led Turkey's export earnings to reach a peak in 1953,
while imports were at the highest in 1952. In addition to producing more, the favourable price conjuncturer
of the Korean War had also increased Turkey's agricultural exports. In the early 1950s, Turkey became a

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11 These figures of 1957, however, has changed drastically in favour of large landowners by 1968. In 1968, the
percentage of loans to small farmers was 18%, and distributed to 70 per cent of the farmers. Large loans, on the other
hand, made up 3% of the loan number, and represented 33% of the total credits (Koksal, 1971: 499-528).

The DP government combined agricultural export earnings with American “aid” to finance its developmental ideal of agricultural producers. Between 1950 and 1954 total investment rose by 256 per cent. Between 40 and 50 per cent of investment came from the government (Zurcher, 1993: 235) whose efforts were directed at achieving the integration of small-producing peasants into the national economy. It follows then that the most important areas of investment for the DP government were the building of a road network and the establishing of agro-food and consumer goods producing industries. The DP government increased the hard surfaced roads from 1,600 km. to 7,500 km, and the loose surfaced roads from 3,500 km to 61,000 km in 10 years (Hale, 1981: 90). Road construction was matched by a mushrooming of bus and transportation companies (Ahmad, 1993: 115). The DP’s road construction opened up the villages of Anatolia for the first time in Turkish history\textsuperscript{12}.


The DP’s rural and agricultural development strategy worked well until 1954. In 1954, however, falling wheat prices in the world markets and a sudden drop in agricultural production (20 per cent drop from 1953 to 1954) undermined this strategy (Krueger, 1974: 8). Aside from wheat, overall agricultural output and exports declined by 15 per cent in 1954 (Singer, 1977: 193-195). The immediate cause of the drop in Turkish agricultural production and exports was the bad climatic conditions Turkey experienced in 1954.

The decline in Turkish exports was conflicted with the DP’s economic development project. Its developmental ideal meant importing huge quantities of materials and machinery, and, as a result, Turkey suffered a trade deficit. The deficit rose, even during the boom years of 1950-1953, when Turkey had a wheat surplus and became a major wheat exporter. The rise in the deficit between 1950 and 1953 was largely due to large increases in imports. The growth in agriculture had been achieved through a

\textsuperscript{12} This process also exposed the peasants to the alien world of urban areas. This poses some important questions about the Islamic resurgence especially during the 1970s and 1980s.
combination of extension of land under cultivation and exceptionally good weather, rather than through irrigation techniques and the use of fertilizers. This was the case even though agricultural production techniques were improved. In 1954, the boom was over and Turkey became a clear deficit country. Imports of agricultural inputs and machinery declined after 1954 and Turkey had to import wheat once again. Economic growth fell from 13 per cent to around 4 per cent a year, and, as a result, Turkey experienced an ever increasing trade deficit throughout the decade.

Table: 1. Turkish Foreign Trade, 1951-1960 (in Million US $)

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports</th>
<th>Exports</th>
<th>Deficit (-)</th>
<th>Surplus (+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>402</td>
<td>314</td>
<td>- 88</td>
<td></td>
</tr>
<tr>
<td>1952</td>
<td>556</td>
<td>363</td>
<td>- 193</td>
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<tr>
<td>1953</td>
<td>533</td>
<td>396</td>
<td>- 137</td>
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<tr>
<td>1954</td>
<td>478</td>
<td>335</td>
<td>- 143</td>
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<tr>
<td>1955</td>
<td>498</td>
<td>313</td>
<td>- 185</td>
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<tr>
<td>1956</td>
<td>407</td>
<td>305</td>
<td>- 102</td>
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<tr>
<td>1957</td>
<td>397</td>
<td>345</td>
<td>- 52</td>
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<tr>
<td>1958</td>
<td>315</td>
<td>247</td>
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<td>1959</td>
<td>470</td>
<td>354</td>
<td>- 116</td>
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<tr>
<td>1960</td>
<td>468</td>
<td>321</td>
<td>- 147</td>
<td></td>
</tr>
</tbody>
</table>


Even though the bad weather conditions of 1954 helps explain the sudden drop in agricultural production and exports for that particular year, it does not explain why Turkey became a wheat importer afterwards. The decline in Turkey's agricultural production was largely because of the fall in world wheat prices. This signified a structural shift in the organization of the world economy, and produced a structural effect on Turkey's economy in general. Falling wheat prices in world markets were a result of the shift in American policy in relation to the organization of the postwar world economy. The conjuncture in which world wheat prices declined was due to subsidized U.S exports in the form of food aid to the "Third

13 By the early 1960s European national protectionism intensified and substituted domestic production for American wheat imports. Thus, U.S redirected heavily subsidized wheat surpluses to the Third World in the form of food aid (Friedmann, 1982).
World*, according to Public Law 480 of 1954 (Friedmann, 1982)*. The effects of falling prices were combined with decreased foreign capital inflow in the form of grants after the end of the Marshall Plan in 1952*. The end of the Marshall Plan and US food aid to the Third World signalled the coming to an end of the DP’s developmental ideal of agricultural producers. The DP’s economic development project now shifted to industrialization.

The shift in economic policy from agricultural development to industrialization was not unique to Turkey, but experienced by all states of the emerging Third World. As discussed earlier, the intention of US policy makers in their immediate postwar effort to reorganize the postwar world economy was to prevent the competitive growth of Western European economies. In so doing, they tried to prevent Europe from nationalist capitalist planning. This required breaking up the historical trade structure between Europe and the former colonies. Toward this end, the Marshall economic aid program of 1947 was extended to the new states of Africa and Asia. The U.S supplied dollars in the form of aid and provided an ideology of development to the governing elites of these new states. Their plan was to encourage raw material and agricultural production in these locations for export to U.S markets while the U.S would supply food to Europe. By 1952 it became clear to American experts, however, that both the constitution and the operation of an open world economy could not be supported by the policy provisions of the Marshall Plan. Western European economies were in the process of beginning competitive with the U.S. In fact, through the Marshall Plan, the U.S had reinforced the old colonial complementarity between European industry and agricultural production in the states of Asia and Africa. Having failed to achieve its goal, the Marshall Plan was abolished in 1952 (Wood, 1986). The new American strategy was to promote industrialization in the form of import substitution as a new developmental ideal (Prebisch, 1950). This required giving up the

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* American cheap food policy increased world food supply and depressed world prices. The world supply of wheat was at 39.5 million metric tons in the late 1950s, it was second only to petroleum among primary commodities in volume traded (Friedmann, 1992: 372). The Third World wheat imports grew from 19 per cent in the late 1950s to 66 per cent in the late sixties (Friedmann, 1992: 372). American food aid to the “Third World” accounted for 35.6 per cent of the total world wheat trade (Friedmann, 1992: 373). The invention of “food aid” implied reverse consequences for other food exporting states of Asia and Latin America. They, including Turkey, became deficit regions (Friedmann, 1982: 264-267).

development ideal of rural producers and export-led agricultural production.


The primary interest of the United States during the 1950s was to contain national capitalist economic planning in Europe by delinking the complementarity between the Western European imperial powers and their colonies. While the industrialization ideal was promoted among states of the emergent “Third World”, the military aspect of this issue involved British and French decolonization in Africa and Asia. In the Middle East, the containment of European capitalist planning was played out between Britain and France, on the one hand, and the between Western Europe and the United States, on the other, over the Suez canal.

For the continuation of its great power status in the post-war period, it was vital for Britain to maintain a strong, continuing presence in the Middle East in particular (Gorst and Johnman, 1997). The Middle East was not the only unique location in playing out this tension between Western Europe and the U.S. It is well-known that the existence of oil and the importance of that oil to the Western European economies makes the Middle East a unique location. But, that uniqueness does not exclude the Middle East from more commonly experienced processes through which Western Europe and the U.S sorted out their differences in organizing the post-war state system. In this respect, the Middle East did not differ markedly from the general processes of decolonization that was taking place throughout the colonial world (Halliday, 1987; Owen, 1992). Because of its importance for the economic policies of the DP in Turkey, I focus on the Suez problem. For reasons I will discuss later, the Suez crisis of 1956 occupied an important position in the DP’s tactic of exchanging military concessions for “aid”.

The position of the Middle East in the international system has been widely discussed (Lenczowski, 1980; Korany and Dessouki, 1991). I will not involve myself directly in this discussion; but will briefly summarize some of the main trends from the end of the WWI to the Suez crisis in 1956. I have already discussed the inter-imperialist rivalries before the First World War, the collapse of the Ottoman Empire, and Anglo-French involvement in transforming the map after the war.

As Bromley has noted (1994: 46-86), the post-WWI British strategy in the Middle East was to
establish stable forms of polity that would complement the international position of the British empire. It was in pursuit of this goal that the British reluctantly came to support a qualified form of self-determination in the era of mandates (Bromley, 1994: 106-107). The general logic of British policy in the Middle East during the interwar years was that the mandate territory was to continue as an annex of the British empire, though it would be annexed by treaty and not by conquest. While formal colonies would be maintained, as was the case with India, British sovereignty would be recognized in mandates through the safeguarding of key routes of transportation and communication in times of peace and by providing military bases and resources in times of war. The British considered the Suez Canal 16, and hence Egypt, as the key to supporting the integrity of the British empire. The British government treated the Canal as the link that tied the British empire together. According to Issawi,

“By 1881, Britain accounted for over 80 per cent of Canal traffic, declining slowly to 50 by 1938, and nearly two-thirds of its trade east of Suez passed through the Canal, as did half of India’s total trade and a substantial and increasing share of that of Australia and New Zealand. Moreover, as holder of 44 per cent of the Canal stock after the purchase, in 1875, of the Khedive of Egypt’s shares, the British government drew a substantial income.” (Issawi, 1982b: 51).

The British continued to view Egypt as a protectorate within the British imperial system during the interwar years. By reference to the 1888 Suez Canal Convention of Istanbul17, the Suez was considered an outright territorial possession, an annex of the British empire. Even though Britain proclaimed Egypt’s independence in 1922, this was clearly a qualified-independence. The British reserved four main areas of

16 The Canal Company did not own the Canal itself - it ran through the sovereign territory of first the Ottoman Empire and later Egypt - but it was a private joint stock company possessing a concession to operate the Canal until 1968 on which date the Canal and all its facilities would revert to Egyptian control (Gorst and Johnman, 1997: 2). Initially the British government opposed the Canal, when the Universale Company of the Suez Maritime Canal was formed in 1858, with a ninety nine year concession obtained from the Ottoman Empire. Company was formed by French shareholders, French capital and management with Egypt supplying labour, land grants and custom exemptions. Until 1875 when the Viceroy or Khedive of Egypt Ismael sold Egypt’s shares (44 per cent of the total shares) to Britain, the Canal Company still remained essentially French (Gorst and Johnman, 1997: 2-3). After the purchase of these stocks, the British government viewed the Canal as the British territorial possession.

17 The Suez Canal Convention of Istanbul was signed in 1888 between the main European powers and the Ottoman Empire. The Convention established that the Canal was to be free and open whether in war or peace to the vessels of all countries whether mercantile or naval while it was guaranteed that the Convention will not interfere with the Khedive’s need to take any measures for the defense of Egypt (Gorst and Johnman, 1997: 3-6). With this Convention, the British saw the defense of Egypt as its responsibility. The de facto situation was that Egypt was part of the British Empire as a “protectorate” and the Khedive was under the British control. The outcome of this was to play a crucial role in the post-war shaping of the Middle East state system after the First World War.
sovereignty in Egypt: the protection and security of imperial communication (Suez Canal), the defense of Egypt (Britain could occupy Egypt in the event of war), the protection of foreign interests and British nationals living in Egypt, and a say in issues concerning the government of Sudan, which Egypt claimed as part of its territory. The British maintained sovereignty in Egypt through safeguarding the Suez Canal as a key route of communication in times of peace and by providing military bases and resources for its defense in times of war. The British rejection of sovereignty rights for Egypt was codified in the Anglo-Egyptian Treaty of August 26, 1936. This treaty formed the basis of relations between Britain and Egypt until 1954. The treaty was valid for 20 years (Gorst and Johnman, 1997: 7-9). During World War II, the Suez Canal Zone was put under British occupation by reference to the 1936 treaty. British domination persisted after the war in the form of 80,000 British troops stationed along the Suez Canal (Beattie, 1994: 111). For Egypt, national independence and freedom from foreign constraints on policy formulation required the withdrawal of British troops. The 1936 treaty was revised in 1954, and Britain agreed to withdraw its forces from the Canal Zone in exchange for Egyptian membership in a Western defense pact. A provision was retained, however, for the re-entry of British forces. Egyptian nationalists, however, insisted on an unconditional withdrawal. The 1954 treaty confirmed the Istanbul Convention of 1888 which declared that the Canal had international status but was also an integral part of a sovereign state (Kent, 1993: 45-63). Thus, the Convention of 1888 had first framed and contained within it the issues that were to become the central focus of tension in the 1956 Suez crisis.

The interwar years witnessed an erosion of British power and consequent loss of control in the Middle East. At the end of WWII, The European powers were economically weakened by the war, and their relative standing vis-a-vis the United States was further reduced. As the dominant powers after the war, the United states and the Soviet Union were opposed to the maintenance of colonial arrangements. On the other hand, what had underpinned the British post-war foreign policy in relation to the Middle East was its desire to redefine a prominent role for Britain in the post-war world. Post-war British foreign policy was based on the fact that Britain was to assume a distinctive role within the accelerating Cold War. It was not doomed to a role subordinate to the U.S. Rather, in conjunction with its overseas colonies and like-minded European states and their colonies, Britain could form a counterweight to the Soviet Union that was
independent of American power (Gorst and Johnman, 1997: 9-27). The British post-war position rested on two assumptions:

"that the Arab governments would regard their major interests as being identical with those of Britain and the Western alliance; and that British and American interests would coincide to the extent that the stronger party would be willing to leave the defence of its interests to the weaker." (Hourani, 1991: 357).

With the mobilization of material sources and backing of the colonies, Britain was hoping to develop in Europe a European economic power under its leadership equal to that of the U.S (Gorst and Johnman, 1997: 23). However, British assumptions did not prove to be well founded. Even though a colonial form of control persisted after the war, the war gave nationalist movements an opportunity for agitation and organization. With the exception of Turkey - the Egyptian revolution in 1952 and the rise of Mossadeq in Iran in the early 1950s made it clear that growing nationalism in the Middle East would not make it easy for these states to back the British post-war policy. Unlike Turkey, the states of the region had to throw off Western control and consolidate their rule internally. Therefore, it was growing nationalism in the Middle East which Britain saw as the central problem, especially as focused through Egyptian antagonism to its domination in the Arab Middle East. What was needed was a preventive strategy which would significantly reduce the potential threat posed to its interests by nationalist regimes and by any expansion of Soviet influence in the region.

It was beyond the economic resources of Britain to continue to assume the responsibility alone. The British government saw only one option: maintaining British control in the region with others paying the cost. This required making the whole Middle East and in particular the Canal Zone an international responsibility in the form of an Allied Middle East Defence Organization (Gorst and Johnman, 1997: 30). The United States was reluctant to assume any responsibility towards forming a defense organization in the Middle East under British leadership. On the basis of pre-war oil concessions to US oil companies, the U.S established relations of economic and military assistance with Saudi Arabia. The restoration of the Shah in Iran, together with the recomposition of Iranian oil concessions after the CIA-aided overthrow of Mossadeq, helped to establish significant U.S economic and military relations with Iran. The U.S, therefore, did not necessarily need to become involved in a Middle East Defense Organization. However,
in response to Nasser’s rise to power in Egypt and growing nationalism in the era of Mossadeq the United States came to oppose indigenous nationalist forces contesting British and French colonial powers. Consequently, it began to support a monarchy in Saudi Arabia, the Shah’s regime in Iran and Hashemite rule in Iraq.

It was crucial for Egypt to achieve national independence without making a commitment to a Western defense pact. The United States, by adopting a benign view of national independence movements, shifted emphasis to the “northern tier” concept of assembling Turkey, Iran, Iraq and Pakistan in a defense pact against perceived Soviet expansion. After the British entry, this alliance came to be known as the Baghdad Pact (1955). Even though the United States was not a member of the Pact, it joined its sub-committees on anti-subversion, economic matters and military organization. The United States wanted to strengthen the Baghdad Pact through the supply of weapons to encourage wider membership in the Middle East. This idea was first put forward by the American Secretary of State John Foster Dulles in 1953 (Gorst and Johnman, 1997: 33-34). The intention of the U.S. was to coordinate the defence of the Middle East with NATO, a strategy which would be played out by Turkey’s common membership in both NATO and the Baghdad Pact.18

The question of containing Egyptian nationalism was a complicated issue, especially after the state of Israel was established in 1948. In August 1955, when Israel launched a major attack on camps in the Gaza strip (Beattie, 1994: 114), Nasser turned to the Soviet Union, and in September 1955 announced a deal by which the Soviet Union (via Czechoslovakia) would supply to Egypt 200 tanks and 100 high-performance jet aircraft including advanced Ilyushin II-28 medium range bombers (Gorst and Johnman, 1997: 40). In response, American-British policy was to pressure Egypt financially. By making the World Bank’s financing of the Aswam Dam conditional on Egypt’s refusal of Soviet assistance, Britain and the U.S. tried to pressure the Egyptian government into a more pro-Western stand (Hurewitz, 1956a: 51). Egypt decided to refuse World Bank loans for the Aswam Dam. It then made a trade deal with the Soviet Union -

18The first step in this direction was the admission of Turkey into NATO in 1952 (McGhee, 1954: 617-630). Britain first rejected Turkey’s NATO membership on the grounds that the defence of the Middle East should be thought of as separate from the European defence, and that the Turkey’s NATO membership would extend American military influence to the Middle East (McGhee, 1990: 114-116). Its inability to form a military defence organization under its own leadership forced Britain to coordinate the defence of the Middle East with NATO.
Egypt would sell almost all of its cotton to the Soviet Union in exchange for Soviet financing of the Aswan Dam. Egypt also nationalized the Suez Canal which was followed by the tripartite aggression of Britain, France and Israel against Egypt in 1956. This subject has been recounted too many times to be repeated here. Suffice it to say that with the invasion forces gone under pressure from the U.S and the Soviet Union, Nasser abrogated the Anglo-Egyptian treaty of 1954 in 1957, freeing Egypt of obligations to any Western power.

The Suez crisis illustrates one important point in my argument. American opposition to the European colonial empires did not translate into support for nationalist movements. Rather, the U.S began to support conservative monarchical regimes which were directed towards containing nationalism. This support increased after the nationalization movement began in Egypt in the late 1950s. In a counter move, the Soviet Union gave its support to new nationalist regimes. Pressured by the Baghdad Pact, both Nasser’s Egypt and Syria were pushed into a closer alliance with the Eastern bloc in a way that undermined Western efforts to create a regional defense pact. And Arab nationalism became an important ideal as well. In response to growing nationalism, the United States tried to establish informal control in the region through its support of monarchical and conservative regimes by way of economic assistance treaties and bilateral military alliances (Saudi Arabia, pre-1958 Iraq, Shah’s Iran and Libya). The old European imperial sphere of interest politics was thereby replaced by a new one under American hegemony. In the process, both European and Middle Eastern national economic planning was contained. The Soviet Union did not care much about indigenous nationalist movements either, and began to support procommunist movements presenting alternative models to Arab nationalism and the search for independence from superpowers. This was the case with the Soviet supported Qassem procommunist regime in Iraq, established after the 1958 revolution. From the mid-1950s these antagonistic ideological forces, usually in alliance with the superpowers (the United States supporting conservative regimes, and the Soviet Union backing procommunists) expended great effort to check the spread of nationalism in the region. In the case of the United States, this policy made the U.S a close ally of monarchies and/or conservative governments, which was the great weakness of the system. This weakness became clear with the disintegration of the Baghdad Pact after the Iraqi revolution of 1958.
In the case of Turkey, the Suez crisis of 1956 occupies an important position in the DP's tactic of exchanging military concessions for "aid". According to Prime Minister Menderes, Turkey, for strategic and military reasons, was of primary importance for NATO and the defense of the Middle East, so much so that the U.S was bound to provide Turkey with economic assistance (Okyar, 1962: 16). Turkey had the longest frontier with the Soviet Union compared to any other NATO member country; 380 mountaneous miles and another 625 miles of Black Sea coast (U.S Senate, 1980). The most obvious tactic the Menderes government followed was to exchange Turkey's military-strategic importance to U.S interests in the region for American aid. That is why Turkey's membership in NATO in 1952 was so important for the DP government.

The DP government allowed a number of U.S strategic air and missile bases to be established in Turkey over the course of the late 1950s, beginning with the establishment of the Baghdad Pact. These bases occupied 32 million square metres in Turkey (Gonlugol, 1971: 24-25) The air base at Incirlik was built in March 1955. Located near Adana, this base provided the U.S with military runways close to the Middle East. Incirlik became the central military base for U-2 intelligence planes after 1957. The U.S later kept F-4 fighter aircrafts there. Incirlik also served as a support center and a Military Airlift Command (MAC) transport terminal (U.S Senate, 1980). Cigli, another air base located near Izmir, was established for logistic purposes in time of war. The Karamursel air base was to protect the Turkish Straits (Bosporus and Dardanelles) against any threat. At the Pirinçlık base in the southeast near Diyarbakir, the U.S had a long range radar and communication complex. Other airfields managed by the U.S were along the Black sea coast, in the southeast, and around Ankara. The U.S Logistics Groups (TUSLOG in Turkish) had its headquarters in Ankara. It provided logistical support for all U.S forces in the area of the Eastern Mediterranean and the Middle East. The Joint United States Military Mission for Aid to Turkey (JUSMMAT in Turkish) and other American units and agencies were also allowed to operate in Ankara to provide similar support for the U.S forces in the Middle East (Vali, 1972: 95-96). The NATO's LANDSOUTHEAST Command and the Sixth Allied Tactical Air Force Headquarters were located in Izmir (A Staff Report, 1980: 8-9). These bases were vital for applying the U.S Cold War containment policy to the Middle East.
This policy was very costly for Turkey, however, bringing it close to war with the Soviet Union and isolating it in the Middle East from its Arab neighbours (McGhee, 1990: 186-207). Turkey supported the U.S in its fight against the possibility of Arab unity movements encouraged by both Egyptian (Vatikiotis, 1980: 363-371; Stephens, 1971: 109-197) and Syrian nationalisms (Petran, 1978). Here, the most crucial concern was the containment of indigenous nationalisms which arose around the Suez Canal after the emergence of Nasser as leader of Egypt in 1952. After the Syrian destruction of the IPC oil pipeline, which was build by ARAMCO as part of the Trans-Arabian pipeline (TAPLINE) during the Truman era (Miller, 1980: 179-180; Petran, 1978: 116; Vatikiotis, 1980: 389; Fleming, 1961: 815-828), Turkey was even willing to go to war with Syria to protect U.S. oil policy in the Middle East. Following the destruction of IPC oil pipelines, two thirds of the oil supply was cut off from European markets (Turner, 1983: 52; Klinghoffer, 1977: 63-69). This led to a sharp increase in Soviet exports of crude and refined oil to Europe and the Third World, from 8 million metric tons in 1955 to 33.2 million metric tons in 1960 (Venn, 1986: 128). It was within this context of diplomatic war over oil that the Eisenhower Doctrine of 1957 was announced.

The DP government interpreted the Syrian crisis as a renewal of the Soviet threat to Turkey's national security (Gonlubol, et.al., 1987: 299). Consequently, Turkey, together with Iraq, placed troops on the Syrian borders. Some 50,000 Turkish troops were concentrated on Syrian borders (Petran, 1978: 123). The U.S government backed Turkey's military maneuvers. Secretary of State Dulles declared that a Soviet attack on Turkey would bring American retaliation against the Soviet Union (Fleming, 1961: 890). Khrushchev responded:

"the Soviet Union is prepared to use military force if necessary to defend its interests in the Middle East ... If war breaks out we are near Turkey ... When the guns begin to fire, the rockets will begin flying and then it will be too late to think about it." (The New York Times, October 10, 1957).

The question of national independence for Turkey was put under constant negotiation with the U.S. Following the Suez Crisis and the military coup in Iraq, NATO military bases, especially the base at Incirlik, were used for American military intervention - to contain the "communist campaign of indirect aggression" in Lebanon and Jordan (Sander, 1979: 167; Gonlubol, et.al., 1987: 304). However, American
use of these bases was not with the consent of the Turkish government. The U.S used these bases to intervene in the Middle East, and then informed the Turkish government after the fact (Harris, 1972: 67; Kertesz, 1961: 52). This caused an intense debate in Turkey about the decline of national sovereignty under the DP government (Karaosmanoglu, July 30, 1958 Ulus Newspaper; Esmer, August 3, 1958 Ulus Newspaper; July, 18, 23, 27, and August 1, 1958 Ulus Newspaper).

The Eisenhower Doctrine of 1957 was developed to counteract increasing Soviet economic and political influence throughout nationalist regimes in the region. It was based on an American commitment to provide economic aid and military protection (if necessary with direct intervention) to any state in the region which might be under direct or “indirect communist aggression” (Gonlubol, et.al., 1987: 287-290). The clause “indirect communist aggression” was an imprecise concept in defining the boundaries of Soviet expansion. It came to include within it any nationalist political and ideological movements of a leftist orientation. This clause was placed in the Turkish-American mutual Security Act of 1959 (Gonlubol, et al., 1987: 308-309; Sander, 1979: 174-175), causing great debate in the Turkish Parliament. The RPP parliamentarian B. Ecevit, for example, accused the DP government, with the assistance of the United States, of institutionalizing the means for suppressing political opposition, by invoking the clause of “indirect communist aggression”. Ecevit argued that this would open the way for American military intervention in Turkey, just as the U.S military intervened in Lebanon and Jordan after the Iraqi revolution in 1958 (Cumhuriyet Newspaper, February 6, 1960).

Another contentious issue regarding Turkey’s independence vis-a-vis US Cold War policy was the so-called U-2 crisis and the placement in Turkey of nuclear weapons such as the 15 Jupiter missiles (Sander, 1979: 182-186; Fleming, 1961: 1001-1009). On May 1, 1960 an American intelligence plane (the U-2) flying from the Incirlik base in Turkey carried out a photo-reconnaissance mission all the way from Pakistan to Norway across the Soviet Union. The plane had taken photographs of industrial centers, airfields, missile bases and other military installations in the Soviet Union. On May 9, Khrushchev warned Turkey and other neighbours of the Soviet Union that “if they allow others to fly from their bases to our territory we shall hit at those bases” (Fleming, 1961: 1003). The opposition party (RPP) accused the DP of making Turkey an immediate target for Soviet missile attacks by allowing U-2 planes to carry intelligence
missions against the Soviet Union (May 18, 1960 Cumhuriyet Newspaper).

This is where the contradictions in the ideal of national economic development of the DP government stands. The contradiction was that the government openly surrendered to the U.S Cold War policy in the region in exchange for negotiating economic aid. The DP secured large amounts of American military and economic aid and, in return, put the independence and sovereignty of the Turkish nation-state under constant negotiation with the U.S.

8.6. The DP and National Industrialization Policy

The reversal in economic policy after 1954 brought a return to the industrialization project which had already been experimented with under conditions of the Great Depression. In contrast to the state-led economic growth project of the 1930s, the economic model of the DP was a mixed economy model, combining state-led heavy industrial projects with consumer goods producing industries of the private sector. The DP’s strategy was based on a policy of accommodation between the developmental ideal of rural producers and industrialization. For the DP, industrialization needed to be financed without resorting to coercive means of surplus extraction from the peasantry. As opposed to the bureaucratic industrialization project of the 1930s which was financed through coercive means of surplus extraction from agriculture, the DP's tactic was to exchange military concessions in the accommodating market conditions of Cold War politics in order to attract much needed American capital in the form of grants and loans.

As a response to the increasing trade deficit, the DP government, under the influence of American economic planners, reconsidered its economic policy in 1954 and readopted some protective-statist measures (Kurueger, 1974: Ch.2). The DP followed a mixed economic strategy, combining private sector investment in import substituting industries with state economic enterprises in heavy industry. Import restrictions were applied to protect industry producing for the domestic market. After 1955 when restrictions were imposed on the import of consumer goods, the industrial sector began to grow faster than agriculture. Industry’s share in the national product increased from an average of 10 per cent to 14 per cent with agriculture’s share dropping from 49 to 43 per cent (Keyder, 1987: 134). Between 1950 and 1960, overall industrial production increased 77%, at an annual rate of 7.7% (Ozgur, 1976: 192). As a result, by
the end of 1959, manufactured cotton imports, for example, dropped from 70 million metres to 192 thousand metres. In 1960, 13.5 million metres of manufactured cotton were exported. Cotton yard imports were also substantially reduced, from 2,832 tons in 1951 to 59 tons in 1960 (SPO, 1962: 17-18, 20-21).

By combining a rural and agricultural development project with industrialization, the DP also consolidated (beside rural producers) the political position of private industrialists vis-a-vis the bureaucratic cadres. The newly growing private industrialists had their roots in agriculture. About 20 per cent of the industrialists were made up of large landowners (Alexander, 1960: 352-354 quoted in Serin 1963: 228-229). Some of the more successful large landowners in cotton production were also involved in the textile industry. However, the merchants were the largest category involved in the expansion of private industry. 43 per cent of industrialists were former merchants (Alexander, quoted in Serin, 1963: 228-230). The Republican project to increase the number of private businessmen of Turkish origin was largely realized by the end of the 1950s. 83 per cent of industrialists were of Turkish origin, while Jews made up only 9 per cent and Greeks 7 per cent (Payaslioglu, 1961: 19-20, 22).

Turkey’s booming consumer goods producing industries were dependent on capital and intermediary goods imports. However, as I have shown in table 1, Turkey’s export performance since 1954 was too low to finance the import bill. The difference between exports and imports indicates that the DP government financed imports through external aid and credits. Foreign loans and grants were the most important source for financing industry. Most of the industrial projects were funded by the Industrial Development Bank of Turkey, which was founded under the auspices of the IBDR and the World Bank (IDBT) (Rozaliyev, 1978: 294-307). The Bank was established to supervise and fund private industrial investment projects (Yazici, n.d.: 89). Both Turkish and foreign financial firms participated in this joint venture as partners. By 1956 the Industrial Development Bank allocated $145 million of credit to 131 new industrial investment firms. About a third of this credit came from the IMF in the form of loan (Sanayi Odasi Bulteni, April 15, 1956). The Turkish Business Bank held the largest share with three million Turkish Liras. The remaining shares belonged to foreign financial firms such as the Osmanli Bankasi (Ottoman Bank), Banka Commerciale Italiana and Banka di Roma (Rozaliyev, 1978: 295).

Most of the Industrial Development Bank credits were allocated for consumer goods producing
industries. Until the end of 1959, 22.6% of its funds were given to the textile industry, 20.6% to the cement and glass industry, 17.2% to the chemical industry, and 13.1% to food industries (Uyguner, 18 December, 1959, TİG). Large private industrial firms received most of the Bank credits.

Even though consumer good producing industries developed with the entry of foreign capital in the form of aid and loans, foreign direct investment remained extremely limited. No more than 30 foreign firms invested in Turkey and their share never exceeded 1 per cent of total private investment (Zurcher, 1993: 235).

The DP followed the RPP example of state investment in industry. Despite its promises to undo the institutional structures of economic statism created by the RPP government (established between the 1930s and 1940s), the DP relied on state economic enterprises (SEEs) after 1954. There were two reasons: 1- Turkish industrialists of this period lacked large scale investment capital in order to meet the domestic demand which expanded due to changes/increases in agricultural production and urbanization. Thus, the DP relied on SEEs to make up for the lack in private sector investments (Barkey, 1990: 54); 2- The limitations imposed on the level of imports by declining export earnings led the government to rely on the SEEs to produce capital and intermediary goods for the consumer goods producing private industry (Kepenek, 1983: 115-116).

Between 1950 and 1960, the DP government increased investment in state-led industries. The share of the state sector in total industrial investment increased from 57 per cent in 1950 to 60 per cent in 1955, and to 78 per cent in 196219 (Kepenek, 1983: 115). The DP’s policy was to channel the favourable conditions of the international markets and aid agencies toward the development of capital goods producing industry by importing as many capital goods as possible (Barkey, 1990). Iron and steel production (1955), the machine and chemistry Industry (1950), the fertilizer industry (1952), the cement and nitrogen production (1953), and the pulp and paper industry (1955) were among the state-led industries established by the DP as the backbone of its industrialization strategy (Szyliowicz, 1991).

19 The DP remained in power until the military coup of May 1960. The data indicating the level of increase from 1950 to 1962 is indicative of the DP’s investment in state-led industries. I do not have data for the period between 1955 and 1960, but I have included 1962 figures to indicate the general trend in this direction.
Table 2. Foreign Capital Inflow, 1946-1960 (million US Dollar)

<table>
<thead>
<tr>
<th>Year</th>
<th>American Economic Aid</th>
<th>Other Aid Agencies(^{20})</th>
<th>Foreign Private Capital Realized (Thousand Turkish Lira)</th>
<th>Rate of Realization (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Loan</td>
<td>Grant</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>1946-48</td>
<td>45.4</td>
<td>-</td>
<td>45.4</td>
<td>5.0</td>
</tr>
<tr>
<td>1949</td>
<td>33.8</td>
<td>-</td>
<td>33.8</td>
<td>-</td>
</tr>
<tr>
<td>1950</td>
<td>40.0</td>
<td>31.9</td>
<td>71.9</td>
<td>80.4</td>
</tr>
<tr>
<td>1951</td>
<td>-</td>
<td>49.8</td>
<td>49.8</td>
<td>-</td>
</tr>
<tr>
<td>1952</td>
<td>11.2</td>
<td>58.4</td>
<td>69.6</td>
<td>35.2</td>
</tr>
<tr>
<td>1953</td>
<td>-</td>
<td>58.6</td>
<td>58.6</td>
<td>20.0</td>
</tr>
<tr>
<td>1954</td>
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</tr>
<tr>
<td>1956</td>
<td>25.0</td>
<td>104.3</td>
<td>129.3</td>
<td>-</td>
</tr>
<tr>
<td>1957</td>
<td>25.1</td>
<td>62.3</td>
<td>87.4</td>
<td>13.5</td>
</tr>
<tr>
<td>1958</td>
<td>23.2</td>
<td>90.4</td>
<td>113.6</td>
<td>125.5</td>
</tr>
<tr>
<td>1959</td>
<td>97.2</td>
<td>107.0</td>
<td>204.2</td>
<td>-</td>
</tr>
<tr>
<td>1960</td>
<td>26.5</td>
<td>99.0</td>
<td>125.5</td>
<td>37.0</td>
</tr>
<tr>
<td>1961</td>
<td>131.0</td>
<td>89.8</td>
<td>220.0</td>
<td>161.7</td>
</tr>
<tr>
<td>1962</td>
<td>102.5</td>
<td>81.6</td>
<td>184.2</td>
<td>15.0</td>
</tr>
<tr>
<td>Total</td>
<td>586.4</td>
<td>995.6</td>
<td>1 582.0</td>
<td>497.1</td>
</tr>
</tbody>
</table>


It can be seen from the table that the main source of foreign capital was the United States. Until the DP came to power in 1950, American economic aid to Turkey took the form of loans, but between 1950 and 1960 grants gained in importance. The Truman Doctrine, Marshall Plan aid and PL 480 were the main institutional arrangements that shaped the form of aid to Turkey. According to Kepenek (1983: 103), the total amount of US dollars obtained through the PL 480 between 1954 and 1962 was $351.2 million. The Turkish Lira equivalent of the American subsidized wheat shipped to Turkey was deposited in the Central Bank of Turkey. Part of this was used by the government in the industrial investments of the SEEAs while the other part was reserved as credits for the American companies investing in Turkey. In addition, the most important reason for this shift in the form of aid from loans to grants was the DP’s bargaining in relation to Turkey’s strategic importance in the Cold War conditions of the 1950s. Especially during the Suez crisis of 1956, the government invoked its military-strategic importance as a means of bargaining for grants.

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\(^{20}\) Other aid agencies are the former International Bank for Reconstruction and Development (IBRD) and later World Bank, International Development Association (IDA), International Monetary Fund (IMF), European Payment Union (EPU), Organization for Economic Cooperation and Development (OECD), and West Germany.
The DP's industrialization ideal was fraught with difficulties. In addition to the limited entry of foreign direct investment and the lack of domestic industrial capital, the inflow of foreign exchange in the form of loans and grants was not sufficient to meet the capital demand of the DP's heavy industrialization program. As can be seen from Table 1, not only exports but also imports financed through aid and loans had declined since 1954. Between 1952/53 and 1956/57 imports declined by 30 per cent. Since a large percentage of foreign exchange was needed for debt servicing, foreign capital (grants and loans) was not sufficient to finance imports. The DP's strategy for compensating the declining export capacity was to increase annual demand for external aid and to apply an inflationary finance policy. As a result, the DP's economic policy resulted in an ever-increasing debt for Turkey. Between 1950 and 1960 the total external debt rose 410 per cent - calculated with US currency. In 1960 the total debt, together with interest, was 33 per cent of the exports (Kepenek, 1983: 103).

The DP could have solved at least some of its financial problems by introducing a new taxation system, more specifically by taxing the large landowners who not only accumulated capital during the agricultural boom years prior to 1954, but also earned substantial capital by switching to industry (e.g. textile industry). But this was not an option for the DP which came to power to implement the developmental ideal of agricultural producers. The large and rich landowners who together earned more than a fifth of the GDP paid only 2 per cent of the total tax revenue (Zurcher, 1993: 239). Instead of using this option of increasing taxes, the DP borrowed money from the Central Bank which meant printing more money. As a result, inflation went up from 3 per cent in 1950 to 20 per cent in 1958 (Zurcher, 1993: 239).

After the mid-1950s the DP embarked on an industrialization policy. The strategy depended on domestic demand for growth (associated largely with agriculture). In terms of international economic relations, the strategy relied heavily on foreign capital inflows to finance its intermediate and capital goods imports. Part of the strategy was to limit the import of consumer goods. Turkey also continued to rely on the export of agricultural products. But the weak link in this strategy was foreign exchange. An associated problem was a balance of payments crisis leading to increasing debt and an inflationary monetary policy. On the external side, both the US and the IMF insisted on an economic stabilization programme as a requirement for the inflow of external capital. On August 4, 1958, the IMF-imposed stabilization program
was accepted by the government. The program required the government to devalue the Turkish lira, reduce budget deficits, restrict monetary growth, increase prices of SEE products, decrease government spending, curtail the role of the state in economy, and liberalize imports. Official approval by the government was linked to the inflow of $359 million foreign credit. The OECD undertook to supply $75 million, the IMF $25 million, and the rest was to be provided by the United States (Kepenek, 1984: 128). One interesting aspect of the IMF stabilization programme was that IMF experts urged the government to adopt more planning (Keyder, 1987: 135). Planning was thus imposed to bring some control over public spending and the allocation of foreign exchange. A planning board was formed in 1959 (Gunce, 1967). Nevertheless, the transition to a planned industrialization strategy began after the military coup ended the DP era in 1960.

This stabilization package that was approved by the government in exchange for continued foreign aid compromised the DP’s attachment to state-led heavy industrialization projects in favour of private investment. The best example to illustrate this compromise is the Erdemir iron and steel complex. The DP sought to implement Turkey’s second integrated iron and steel plant (ERDEMIR) with the technical involvement of American corporations. The DP envisaged ERDEMIR to be owned and operated by the state. In 1958 the DP government contracted with the Koppers Company Inc. of Pittsburgh to carry out the feasibility study of the plant. Koppers’ report, in turn, suggested the establishment of a consortium with Westinghouse Electric and Blaw Knox for construction of the plant. The plant was estimated to cost about $208 million. $158 million of this would be obtained from the Development Loan Fund in the form of a long-term official loan while the rest would be provided by domestic sources (Szyliowicz, 1991: 76). This project was never realized. When the Eisenhower administration was approached for financial assistance it rejected any support for a state-led industrialization project. The government of the United States was willing to support a plant that was privately owned and controlled. As opposed to obtaining an official loan, the U.S government insisted on the participation of American private financial institutions such as the Chase Manhattan Bank and the First Boston Corporation. After long negotiations, the DP government agreed that the plant would be privately owned, and in 1960 passed a bill establishing ERDEMIR as a

21 The first integrated iron and steel complex was the Karabuk plant which was established in 1939 with Soviet financial and technical assistance.
private company (Szyliowicz, 1991: 77-83). It became obvious during the negotiations, however, that, Prime Minister Menderes wanted ERDEMIR to be state-owned and controlled.

The decade of the 1950s created huge deficits, debts and inflation, which resulted in the IMF imposed stabilization program. The DP did succeed in transforming Turkey's agriculture to a certain extent and it also increased the industrial base of the country by moving toward a mixed economy model. The DP tried to base its industrialization policy on a strategy of reconciling the nationalist attachment to the nation-state with the larger political-military relations of NATO in order to attract much needed American capital in the form of grants and loans. This strategy contrasts with the nationalism of the bureaucrats during the 1930s which had attached the national industrialization project to the ideal of independence and sovereignty of the nation-state. As opposed to the bureaucratic industrialization project of the 1930s which was financed through coercive means of surplus extraction from agriculture, the DP's tactic was to exchange military concessions in the accommodating market conditions of Cold War politics for more aid. Their intention was to increase Turkey's bargaining power for more aid, and they were willing to pay the price of receiving aid virtually unconditionally. The price the DP was willing to pay for American aid was to serve its interests in the region. This policy resulted in the incorporation of the nation-state of Turkey more deeply into the NATO military system under the dominant power of the United States. The result was a decisive break with the nation-state project of the bureaucrats.

8.7. Economic Development and Local Community

The agricultural and industrial development projects pursued by the Menderes government resulted in a qualitative change in the composition of the labour force. Some studies have suggested that mechanization, credit usage, the application of fertilizers and cash crop production in agriculture would lead to land and class polarization in Turkish agriculture (Kiray, 1968; Hinderink and Kiray, 1970). According to these works, the DP's agricultural policy resulted in deepening poverty among the peasantry, caused depeasantization in the countryside and worked for the benefit of large landowners and commercial classes. Polarization was expected to take place between the large landowners and sharecroppers. Massive rural to urban migration between the second half of the 1950s and 1960s was shown as solid evidence of
depeasantization in agriculture. However, this argument does not explain the character of the geographical mobilization experienced at that time.

The DP government had followed a land redistribution policy to relocate sharecropping peasants who were released from large farms (due to mechanization) onto public lands. This policy was intended to keep many people on the land who were not essential to the upkeep of agricultural production. That is, land and class polarization was not experienced in the countryside, but there was an increase in the number of small producing family farms. Despite this increase, agricultural mechanization had driven some of the former sharecroppers out of their villages. Those who were not relocated to newly opened agricultural lands migrated to urban areas. More importantly, the new-found industrial vitality in urban areas promised employment opportunities for large number of former peasants. Thus, as Keyder points out (1987: 135),

"it was not necessarily the landless who migrated to the city, but also the lone young male whose family continued to cultivate its plot in the village. Since custom work carried out with tractors was quite common, especially after the end of the land reclamation boom, many families could afford to send part of the household labour into urban employment while engaging a tractor-owner to plough their lands."

The second half of the 1950s saw the start of massive migration from the countryside to the urban areas. Between 1950 and 1960 the population of the four largest cities increased by 75 per cent (Keyder, 1987: 137). During the 1950s, one out of every ten villagers migrated to urban areas (Turkiye Ticaret Odalari, Sanayi Odalari ve Ticaret Borsalari Birligi, 1978: 50). Labour migration was not a new phenomenon but the pattern of migration changed. Whereas in an earlier period migrants would have been essentially village-based seasonal agricultural workers who found temporary work in the cities (in the mines of Karabuk, for example), they now often moved permanently to the city and went back to the village only at harvest time.

This reversal in the migration pattern corresponded to the growth in the service sector, for instance, in private housing and public infrastructural works, and then industry.
Table 3. The Sectoral Distribution of Labour Force (excluding employment in military) (thousand people)

<table>
<thead>
<tr>
<th></th>
<th>1955 Distribution (%)</th>
<th>1960 Distribution (%)</th>
<th>Rate of Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>9446</td>
<td>9737</td>
<td>3</td>
</tr>
<tr>
<td>Mining</td>
<td>63</td>
<td>77</td>
<td>22</td>
</tr>
<tr>
<td>Industry</td>
<td>726</td>
<td>885</td>
<td>22</td>
</tr>
<tr>
<td>Energy</td>
<td>16</td>
<td>15</td>
<td>-7</td>
</tr>
<tr>
<td>Services</td>
<td>1444</td>
<td>1820</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td>11695</td>
<td>12534</td>
<td>7</td>
</tr>
</tbody>
</table>


With such a high level of geographical mobility, it can be easily said that the “high” city culture built by Kemalist bureaucrats during the 1930s and 1940s, and the local cultures of the villages met in the same geographical space for the first time in Turkish history. In addition to migration to urban areas, Menderes’ road construction program and the mushrooming of bus and transportation companies opened the possibility for the eradication of the physical and cultural distances between the city and local village communities. Could it be interpreted as the start of national cultural integration? Or, to put it differently, was it the opening a new political space for the destruction of cultural heterodoxy through the eradication of village community culture, or the beginning of a new era for intensified cultural clashes? The answer to such questions can only be found after examining the later period of the 1960s and 1970s. Suffice it to say, now, that the period of the 1950s started the process of releasing peasants from the “little” community cultures of the villages, initiating a process of unselfconscious destruction of the locality of village culture.

What became clear in the 1950s is that the cities were not equipped to receive large numbers of villagers in a regular and permanent fashion. The migrants built their own houses on unused public or private lands on the outskirts of city. These newly rising settlements were shanty towns or, as commonly referred to in Turkish, gecekondus (built at night). They lacked an infrastructure: they had no water, electricity, roads or sewers. The quality of housing soon improved, during the 1960s and 1970s, because the migrants invested their urban earnings in new homes. Later arrivals brought a sum of agricultural savings with them for the same purpose. With their numbers increasing (75 per cent of Ankara’s population presently lives in gecekondus), politicians could not ignore them and began to deliver municipal services, civic amenities and land entitlements. Despite these improvements in shanty town housing, the gecekondus imitated village life in urban areas. Co-villagers stayed together and built houses for each others families. They grew vegetables and fruit trees, and raised chickens, sheep and cows in their yards. They kept close
ties with the countryside, with the villages supplying most of their food (wheat flour, beans, lentils, and so on) after harvest. Despite considerable economic integration, the gecekondu dwellers largely remained apart from the cultural life of the city and reproduced village community culture in the cities. Kartal (1983) referred to these people as "unurbanized peasants".

8.8. Conclusion: An Historical Account of the Development Ideal

The idea of "underdevelopment" in Turkey's economy was not an invention of the post-1945 international order set up under the hegemonic control of the United States. Rather than what is usually claimed to be the case, the notion of underdevelopment like that of development was very much part of the nineteenth century Ottoman intellectual-bureaucratic climate of opinion. Underdevelopment was referred to then as a decline of the classical Ottoman economic and social arrangements. Nevertheless, it came to mean much of what "underdevelopment" conveyed after 1945. This is a crucial point: What is central is an understanding of the ways in which the critique of the post-1945 notion of development both parallels and diverges from the nineteenth century debate.

As discussed extensively in chapter 4, the nineteenth century Ottoman reform program served to liberalize trade and restructure agricultural production so that the Ottoman Empire could be part of the open world economy then governed by British hegemony. For agriculture, exemptions from import-export taxes and the granting of concessionary contracts were the rule. In infrastructure, companies undertaking railway and port construction and municipal utilities were often the recipients of government concessions. During the post 1945 era, the U.S insistence on rural-agricultural development in Turkey, its market orientation and road construction echoed the 19th century agricultural and infrastructural development project of Ottoman intellectuals. Both saw market-oriented agricultural production and popular alliances respond to the goal of realizing a comparative advantage in world markets. Both went through a course characterized by massive external intervention in goal setting in economic policy. Associated with this was regular balance of payments deficits, leading to externally imposed stabilization measures. The army and the government were guided largely by plans originating from outside the country.

Both were followed by a simultaneous rise of stronger bureaucratic control and an Islamic
“national” agenda. In both cases, bureaucratic circles and religious tariqas responded to situations of decline of national sovereignty. They were in part against the ruling cadres and in part against the external determination of “national” policies regarding military and economic issues. Internally, the populist alliances proved impossible to hold together. In the Tanzimat era, this was rooted in the multi-cultural/religious character of Ottoman society, each religious community searching for a state of their own. During the era governed by the DP after 1950, the difficulty was an expression of the DP’s understanding of populism. The DP was popular among rural producers, urban industrial classes and much of the working class; but intellectuals and bureaucrats remained outside the popular alliance. Even though the DP was instrumental in integrating religion into the secular structure of the state through changes in the educational system, the predominantly secular political culture of its populist alliance could not appeal to all the religious tariqas. Moreover, Menderes himself was a well-respected charismatic leader, but he could not get full control over the military bureaucracy. He was unable to secure loyalty especially among the high bureaucrats of the military, a factor which was to result in his overthrow in a coup on May 27, 1960. The coup ended with the closing down of the DP and the execution of Menderes in 1961, along with his ministers of finance, internal affairs and external affairs. The significance of this coup and the endurance of the bureaucratic reaction is underscored by the fact that the bodies of Menderes and his ministers were buried on an isolated island in the Aegean Sea. They remained there until the early 1980s when they were finally moved to a private cemetery in Istanbul by then-Prime Minister T. Ozal. It should be noted, however, that Menderes’ execution did little to weaken the strong support of rural producers - to the extent that support was later mobilized by the Justice Party, established in 1961. The name of the new party “Justice” came to symbolize undoing the “injustices” done to the DP and Menderes by the coup.

The army was guided largely by plans originating from political power struggles inside the country. Military bureaucrats, in a fashion similar to that of the Young Turk coup, wanted to regain control over the course of the government’s economic and military-strategic plans by initiating planned, state-led industrialization projects. My argument is that internal and external factors were interrelated in such a way that no one factor could have succeeded without the presence of all the others. The type of populist alliance the DP cultivated towards the goal of the development of rural producers and future industrialists, which
excluded intellectuals and bureaucrats, set the parameters of the interplay between internal and external factors. The result was the situation of external domination over national planning as articulated in the DP period. The nationalist attachment to the idea of the nation-state was reconciled with the requirements of being part of the larger economic and political-military institutions of the bloc structure. This was a clear break with the nationalist bureaucratic project of independence and sovereignty. It was within this context that an Islamic political agenda began to establish itself under the intellectual guidance of the religious tariqas.

Before I continue with the Islamic political agenda, which I will take up in the following chapter, I would like to locate the significance of the bureaucratic and Islamic counter responses within a theoretical framework. Their separate responses were embedded in the Faustian problem of development. Menderes was an exemplar of the Faustian developer. His love/desire for the development of rural producers and for the national economy was not necessarily congruent with the Kemalist goal of an articulated national economy. The Kemalist notion of “development” and/or modernization conveys an affinity between the mobilization of rural producers towards economic development and the release of the individual, in this case peasants, from the cultural framework of the village community. Secularism was to be the moral framework for such mobilization. This possibility of being released from village life was made probable by the economic development project of Menderes during the 1950s. Menderes envisaged and implemented plans to reclaim land, to build industries, and to recreate productive agriculture for the prosperity of the rural community. Being a populist leader, Menderes’ main concern was with how to realize the project quickly without caring too much about the conditions imposed for gaining the capital to implement his plans. This led Menderes to his first dilemma. Rural producers became increasingly locked into the complex bargaining process of Cold War diplomacy with the United States. Under conditions of Cold War diplomacy, of exchanging Turkey’s military importance for more American aid, it gradually became clear that the economic development project of Menderes was not national; nor was it social. The villagers began to be seen as an economic category in the bargaining process with the United States. This led Menderes to his second dilemma. In the process of realizing his vision of a transformed village community, Menderes faced the problem of unselfconsciously reproducing within the political space of the city the earlier
confrontation, which defined the 1950 movement, between the secular "high" culture of the cities, designed by the bureaucrats during the earlier period, and the locally lived community cultures of the villages.

These dilemmas resulted in the self-destructiveness of the project which Menderes, together with his ministers, paid for with their lives. The object of "development" was no longer the well-being or prosperity of the rural community, but development itself. The problem of development opened up new questions and possibilities for new political alliances. Both bureaucracy and religious orders, in their own separate ways, began to initiate new political alliances. The question for them was how to define and activate the indigenous potential of production conditions. The other side of the issue consisted of the problem of reconciling and/or counteracting the external authority of development. I will expand this argument in the following chapters by exploring the tension between secular and Islamic politics. This tension plays itself out in relation to economic and military alliances and associated national economic policies via the political parties. The following chapter will take up the emergence of an Islamic political agenda in the face of the dilemma Menderes faced during the 1950s.
During the Ottoman era, the Islamic political project tried to achieve a synthesis between European political and economic institutions and Islamic political theory. As argued in Chapter 4, this project was initiated by the Young Ottomans who strove to create an ideology of national unity under Islam. Sultan Abdulhamit institutionalized the ideology of Ottoman nationhood in the form of Pan-Islamism. In the process, the Naqshbandi order, among others, was reorganized by the state in mobilizing the popular basis for Islamic-Ottomanism. The organizational strategy was to link small community-based networks based on personal relations into a centrally organized structure. In Chapter 5, I introduced Said Nursi’s ideas in relation to the secular nationhood project of Kemalism. His collection of written treaties (risale), known as the Risale-i Nur (Treaties of the Divine light) was the foundation of the Nurcu movement. In contrast to the personal centrality of a sheikh in the Naqshbandi tariqa, the Nurcu movement developed on the basis of the Risale-i Nur as an impersonal written interpretation of the universal principles of Islam.

This summary reminds us that neither the Naqshbandi tariqa nor Said Nursi rejected industrialization, technology or science. In the present chapter, my aim is to rethink Islamic politics through the Naqshbandi tariqa and the Risale-i Nur movement in the context of the problems faced by Menderes during the 1950s. Both the Naqshbandi tariqa and the followers of the Risale-i Nur, whom I refer to by their commonly used Turkish name, as Nurcu, were the most pertinent examples of a Muslim rejection of the western model of development. For them, it was not possible to find a bridge between the external determination of development and the indigenous potential of production conditions. However, they did not reject industrialization and/or economic modernization in the name of an internally determined, “authentic” case for development. The rejection of an externally determined development does not imply a rejection of the desire for development itself. In the face of the problems posed by development - producers being locked into the complexities of Cold War international diplomacy, and the negative implications for locally lived community cultures - the real challenge for the Nurcu and the Naqshbandi tariqa was to find a way to activate the internal potential of development while rejecting the lure of an externally imposed project. What remained unclear, however, was the precise meaning of development, the
values implied by it, and the reasons for making it a viable self-directed process. These issues underscore the fact that the term "development" defies any precise conceptual definition.

The Nurcu and Naqshbandi chose to embrace the ideology of a development project per se, but did so by reshaping it to conform to Islamic principles. For example, the primary value imposed for human development was to be one of self-purification through the acquisition of knowledge based on Islamic principles found in the Qur'an. In this chapter, I will examine the formulation of a religiously inspired concept of development, as put forward by Said Nursi and the Naqshbandi tariqa. First I will overview the emergence of tariqas during the DP era.

9.1. The Reappearance of the Tariqas and the Risale-i Nur Movement of Said Nursi

The DP introduced Islam as a unifying ideology of nationhood to connect people firmly to the secular structure of the state. The workings of Islamic culture were reconstructed as the "little" community cultures of the people. Then, through state regulations on religious education, Islam was to be integrated with secularism. The DP's educational program was aimed at the integration of Islam into the bureaucracy through the Directorate of religious Affairs. All Prayer Leaders and Preachers remained civil servants. According to many scholars, such as L.V. Thomas (1952), Reed (1954), Heper (1981), Mardin (1983) and Sayari (1989), the Islamic cultural project of the DP was part of the political liberalization of Turkey experienced after 1945. Still, the intention was to keep Islam under state regulation. Frey uses an interesting metaphor to analyze the relationship between political liberalization and the rise of Islamic politics. He writes:

(One) might propose merely that the lid which had been put on the pot was lifted at this time and that some people were surprised and alarmed to see certain parts of the stew still bubbling (Frey, 1964: 223).

The stew was the existing relations of Muslim culture, and the bubbles were the religious orders, working autonomously, outside of state control.

The second aspect of Islamic reassertion during the DP era was the reappearance of the Sufi orders and Islamic movements in politics, which had gone underground after the Shaykh Said revolt of 1925. During this renewal process, a number of private religious organizations experienced significant growth.
The influence of religious tariqas and the Nurcu within these organizations is well-known. Private Qur’an schools and associations for the construction of mosques were also established (Scott, 1971; Robinson, 1971). The total number of religious organizations increased from 95 in 1949 to 251 in 1951. By 1960, their number reached 5104. The ratio of private religious organizations to all other private organizations increased from 5.5 per cent in 1949 to 10.0 per cent in 1951. By 1960, the ratio was 29.7 per cent (Yucekok, 1971: 133).

The DP accepted the existence of the religious orders including the Naqshbandi tariqa and the Nurcu movement. In sharp contrast to the RPP, the DP admitted that Islam was not necessarily incompatible with development. The DP cultivated and provided patronage to religious orders in order to receive their support in the electoral mobilization of the largely rural voters\(^1\). This was evident in the DP’s relations with Said Nursi (1876-1960). Said Nursi addressed Prime Minister Menderes as “the champion of Islam” (N.F. Kisakurek, 1969: 148-151) and invited his followers to support the DP to prevent a return to the militant secularism of the single party era (Isik, 1990: 48-49). The Nurcu movement supported the DP in the 1954 and 1957 elections.

Nevertheless, the DP was not about to permit the rise of anything resembling an Islamic counter revolution, either from the religious orders or from Muslim intellectuals. In 1951 the DP legislated the “Law (PL 5816) for Crimes Committed Against the personality of Ataturk and Ataturkism (meaning M. Kemal and Kemalism)”. This law was specifically enacted against the orders and intellectuals who were critical of Kemalist reforms (Tarhanli, 1993: 28). On the basis of this law, members of the Ticani order\(^2\) were given severe jail sentences. K. Pilavoglu, the sheikh of the order, was sentenced to 15 years

\(^1\) The sufi orders were operating at the community-neighbourhood level outside the regulatory framework of the state. Various orders and their shaykhs were particularly influential in Eastern Anatolia where they controlled the “vote banks”. Historically, they were able to take religion and politics to the grass-roots and counter the influence of the secular political parties.

\(^2\) Among the religious orders which became vocal in the 1950s was the Ticani order. Ticani’s first overt political activity was in 1949 when members of the order recited the call to prayer (ezan) in Arabic from the visitors’ galleries in the Parliament in defiance of the then valid law against the Arabic call to prayer (B. Toprak, 1981: 82-83). The Ticani order rejected secularism as atheistic and morally corrupting, and described M. Kemal as diabolical. M. Kemal’s statues and busts were defined as idols which, according to the order, Muslims were forced to worship in the place of Qur’an and teachings of Mohammed. Therefore, the members of the Ticani order stepped up their activities in propagating the right for rebellion against the state which they called antireligious. Their activities included smashing the statues of M. Kemal (Ahmad, 1991: 10-11).
imprisonment, as well as forced residence on an Aegean island for the rest of his life (Tunaya, 1962: 231). A Muslim intellectual, N. F. Kisakurek, was imprisoned for nine months because of his article in the Great East (Buyuk Dogu) periodical which was found offensive to secularism. Said Nursi, who had been accused many times of establishing a secret religious order with political goals (Algar, 1979; Mardin, 1989: 90-102), was also arrested in 1952, for the fourth time since 1934.

The charges against Said Nursi were related to the publication and distribution of a section of the Risale-I Nur entitled “Guide for Youth (Genclik Rehberi)” (Algar, 1979: 321-323). His opinions regarding the female dress code and religious instruction at all levels of education were seen to be against secularism in Turkey. In his work, Said Nursi argued that Islamic criteria of dress were more suited to the beauty and dignity of women than imported western fashions. In his court defense Said Nursi asked the prosecution whether it was necessary for women to expose their bodies and for children to grow up ignorant of religion in order for the state to be preserved. If the answer was positive, then did such a state deserve preservation? He declared that the trial was an indication of how secularism was used as a mask for hostility to religion (Algar, 1979: 233). He was acquitted, but was also forced to take up residence in Emirdag in Western Anatolia.

The publication and distribution of his books, collected under the title of Risale-Nur, continued to be banned. Until 1956 the Risale-I Nur could still be prosecuted because it was copied in Arabic characters. Only after 1956 was it possible to distribute it on a wider scale than ever before. Before Dr. Tahsin Tola - one of the followers of Said Nursi who had been an elected parliamentarian for the DP - obtained permission to lift the ban against the printing and for the work to be published in Latin characters, the distribution of the Risale-Nur was restricted to handwritten and mimeographed copies only (Algar, 1979: 323; Mardin, 1989: 101). After lifting the ban on the Risale-I Nur, the Nurcu movement rapidly grew.

Despite these severe penalties, the DP’s “tolerant” approach to religion helped the re-emergence of an Islamic intellectual agenda.

9.2. The Islamic Intellectual Agenda

The roots of Turkish Muslim intellectualism go as far back as the beginning of the nineteenth
century in the Ottoman period. Westernization discourse led to the creation of a cultural dualism which was reflected in the positions of two intellectual groups\(^3\). A culturalist perspective was dominant in the formation of this dualism in Turkish intellectual history. One group of Muslim intellectuals held a radical opposition to the Westernization project in the name of Islam, not only as a source of tradition but as a comprehensive system of thought, while a group of secular intellectuals expressed a radical opposition to Islam in the name of Westernization. Bulac argues (1983) that Muslim intellectual work came to be identified with the rejection of the idea of the nation-state, and with it, modern, territorially defined secular conceptions of nationalism and development. In line with such a dualism, Bulac formulates the tension between Islam and secular politics in Turkey in terms of the alleged incompatibility of Islam with nationalism and the ideal of development.

Esposito in his *Islam and Politics* (1991) shows the great diversity of views and practices among groups defining their goals in Islamic terms. He argues that there has been a degree of accommodation to the territorially defined nation-state. Nevertheless, Esposito does not deny the significance of institutional continuity in Islamic practices in setting the terms for its encounter with the modernization-westernization project. Bromley (1994: 90-94) qualifies Esposito’s argument on continuity, and argues that an emphasis on continuity attributes an unchanging quality to Islam as an entity which is mysteriously resistant to change. Bromley (1994: 94) explains:

> there is no such thing as “Islam” ... , understood as a preconstituted quality, that could in principle constitute such an obstacle to modernity. Any constituting presence of Islam - whether understood in cultural or institutional terms - has to be explained, not by an appeal to the character of belief, but by an account of its active reproduction in the present, in terms of the concrete social and material relations and practices in which it is imbricated. It is only thus that we will be able to explain both the contemporaneity and the variation in Islamic politics.

In an effort to bring together Esposito’s argument on continuity and Bromley’s insistence on variation/changeability, I will argue that there is such thing as Islam. But, one must question how Islam as a universal system of thought interacts with the actually existing social, economic and political relations in such a way that variation in Islamic intellectual thought could be understood. A review of Turkish Muslim

\(^3\) For further discussion, see A. Bulac (1983). *Islam Dunyasinda Dusuncu Sorunlar* (*The Problems of Thought in the Muslim World*), Istanbul: Isaret Yayinlari.
intellectual work in relation to the ideal of development will help to clarify.

9.2.1. N. F. Kisakurek, A Muslim Poet

Among these intellectuals was N. F. Kisakurek (1904-1983), one of the most outstanding modern Turkish poets. He came under the spiritual influence of Naqshbandi Sheikh A. Arvasi after his return to Turkey from his studies in Paris in the 1920s (Kisakurek, 1978). He was one of the first Turkish intellectuals who reevaluated the place of Islam in Turkish national culture. He began to publish his literary writings in the periodical the Great East (Buyuk Dogu), which was closed down several times after 1943 but continued to appear until the 1960s. The Great East became a vehicle for the transmission of an Islamic message to a large, anonymous and impersonal audience of readers. The message was delivered against the background of increased anxiety about secular nationhood in Turkey.

N. F. Kisakurek wrote about the meaninglessness and emptiness of the secularization discourse in the Republic. His message contained a cultural agenda which viewed East and West as opposite poles of emotional and symbolic value. He wrote:

My brain has become the shelter of deep anxiety about the 'absolute truth' ... My soul is like an aching tooth ... Even if the Oceans were made of ink, if all the trees constitute only one pen, they would still not suffice to express my distress in depth (N.F. Kisakurek, Buyuk Dogu, N. 1, 1943).

What was the source of his great “distress”? Kisakurek believed the cause of alienation and distress to be found in the adoption of Western cultural values, which symbolized the great “evils” of life. These evils included materialism, conspicuous consumption, egoism, instrumental reasoning, moral decadence and so on. The remedy was rooted in the values of the East which symbolized life itself⁴ (Great East, N. 2, 1943 and N. 19-26, 1944). N. F. Kisakurek was fighting the totality of “evil” influences from the West on a “good life” and the emotional and symbolic wholeness of the East. The remedy was a defense of “life” through Islam, and a total rejection of the West. This struggle also involved a fight all the forerunners of the westernization project whom N. F. Kisakurek called “Spurious Heroes”.

⁴ China, India and Persia were seen as the original birth place of Eastern cultures which, according to N.F. Kisakurek, reached its highest level through Islam.
For Kisakurek, development represented the adoption of a host of evil influences and the corruption of all positive values. In a fashion similar to the A.G. Frank’s theory of the “development of underdevelopment”, Kisakurek believed that the process of development contained within it the idea of “underdevelopment”. Underdevelopment was an historical process which happened simultaneously with development itself. Kisakurek’s goal, therefore, was to make his readers think historically, to consider the process as well as the result. According to him, all Western-oriented intellectuals and rulers from the Tanzimat period in the Ottoman Empire to present day Turkey were Spurious Heroes, M. Kemal included. N. F. Kisakurek also criticized the scholastic structure of the Islamic educational system which led the Ulema into inertia during the western challenges to the Ottoman Empire. For Kisakurek, development projects were imposed on society since the Ottoman times in the name of westernization. These projects were corrupt because they had no connection with the values attached to being a human. The ideal of development did not serve any constructive purpose; it was devoid of life. It had no identification with the principles of belief as presented in the Qur’an. The idea of development, with the help of these “heroes”, reproduced the evil values of the West on Muslim society to the extent that Muslims began to lose their identity.

Turkish westernization attempts obscured the essential idea behind development; living virtuously without losing a Muslim identity. For Kisakurek, what was needed was the development of a strong conscience for the promotion of human happiness.

9.2.2. Said Nursi and Development

In a manner akin to N.F. Kisakurek’s understanding of development as moral corruption, Said Nursi continued to propagate the “good” and arrest “evil” by strengthening morality and ethics within the framework of faith set by the Qur’an. He was not interested in establishing a religious order but rather spreading the message which he delivered to his followers in the form of a printed book. His book was an interpretation of the Qur’an, which he hoped would serve as a guide for his followers in their personal development. He did not wish his followers to focus on himself as “the Master”. It was through this innovation of using the printed book as a medium for guidance that Said Nursi changed the dynamics of
Islam in politics.

His writings, in a way similar to those of N.F. Kisakurek, were based on the cultural-symbolic opposites of the contemporary civilization of the West and Islamic civilization of the East. Said Nursi also showed a focus on the “evil” influences of contemporary civilization on the “good society” of faithful individuals. According to him, Western civilization was based on the following principles:

“its point of support is force and aggression; its aim is benefit and self interest; its principle of life is conflict; its tie between communities is racism and negative nationalism; its fruits are stimulation of the appetites of the soul and increasing the needs of human kind ... It is because of its founding principles as such that Western civilization has negated the happiness of human kind. Because, Western civilization is based on these negative principles, it has brought bad consequences for human kind like: wastefulness, poverty, idleness, egoism and cast the great majority, like 80 per cent, into wretchedness.” (Quoted in Canan, 1991: 197, 201).

Said Nursi wrote:

“But Western civilization as it stands today has acted contrary to the divine fundamental laws, its evils have been greater than its benefits. The real goals of civilization which are general well-being and happiness in this world have been subverted. Since wastefulness and vice have predominated over frugality and contentment, and laziness and the desire for comfort over endeavour and service, it has made wretched humankind both extremely poor and extremely lazy ...” (Said Nursi, Emirdag Lahikasi, 1959: 98).

According to Said Nursi, the present Western civilization - established as it is on the foundations contrary to human happiness and development - will eventually collapse. And, Asian civilization will prevail in its place. The collapse of Western civilization will be the result of an awakening of humankind (Said Nursi, Huthe-i Samiya, 1958: 33). The primary theme in his writings then, was the need to mobilize Muslims as individuals in their daily life and as members of a community in order to combat the expansion of “materialist Western ideologies” into their inner world (Cakir, 1990: 84; Sahiner, 1979: 389; Mardin, 1993: 67-69). The awakening of the Islamic community would be a result of the mobilization of the individual through his or her heart. The mobilization of individuals was to be a direct outcome of cultivating faith in their heart through readings of the Qur’an and its interpretation (e.g., the Risale-i Nur).

According to Said Nursi, development was a corruption, which he identified as “moral regression”. Said Nursi viewed the “development” as experienced through the westernization process as a situation of unbalance that made underdevelopment a corrupt process. This unbalance was evidenced by the change in the need structure of humanity through mass consumption. He wrote:
"While in the primitive state of nomadism (for example), people only needed three or four things. And those who could not obtain these three or four products were two out of ten. The present tyrannical Western civilization has encouraged consumption, abuses and wastefulness and the appetites, and, in consequence, has made nonessentials into essentials, and has made this so-called civilized person in need of twenty things instead of four. And yet he can only obtain two of these twenty. He still needs eighteen. Therefore, contemporary civilization impoverishes humankind ..." (Said Nursi, Emirdag Lahikasi, 1959: 98).

According to Said Nursi, strengthening faith at the individual level was the first requirement of overcoming corruption; religion would regulate consumption patterns. The establishment of the Shari’a was the second task Said Nursi faced in constituting Islam as a way of life within the space of the nation-state. However, unless the first task of strengthening the faith of individuals was completed, the second task could not begin. This is where the ambivalence of Said Nursi regarding the DP government stands. Even though he saw the DP as instrumental in making the economic development a “corrupt” process, he still supported the DP in relation to the expansion of religious education. The DP’s incorporation of religion into the educational system was viewed as helpful in the long run toward strengthening Islamic faith among Muslims. It is because of the highest level of importance Said Nursi gave to the first task that he and his followers supported the DP. Later during the 1960s and 1970s, this support which the Nurcu movement gave to the DP was transferred to the JP, which was established in 1961 as the successor to the DP. The Nurcu movement did not support the pro-Islamic political parties because it believed the votes of Muslims would be divided among a variety of political parties. Since they viewed the strengthening of faith as the ultimate source of human happiness, the largest center-right party which gave the greatest importance to religious education deserved the most support.

The third task for Said Nursi was the unification of the Islamic world against “evil” influences from the West. This strategy for overcoming corruption intended to link the territorially defined space of the nation-state to the international level of Muslim countries. The development of an Islamic conscience among individuals at the national level was necessary to draw a wedge between the Islamic way of life, as would be evidenced in the changing norms of consumption, and the externally imposed needs structure. But, unless it was linked to the larger economic, political and military relations of Islamic politics, it was doomed to fail. Said Nursi did not elaborate on the method for working towards Islamic
solidarity/cooperation among Muslim countries. But, he supported the DP government on the occasion of establishment of the Baghdad Pact and later CENTO (Sahiner, 1979: 389), even though they were transnational organizations formed under the leadership of the United States. For Said Nursi, any attempt to bring Muslim countries into a framework of cooperation, rather than competition and conflict, was to be welcomed as a positive step. He thought that such organizations based on the cooperation of Muslim countries would eventually give way to Muslim resistance against Western domination in the region. This attitude of Said Nursi was later criticized by Naqshbandi affiliated Muslim intellectuals. During the late 1960s and 1970s, the Nurcu movement was accused of promoting American interests in Turkey and in the Muslim countries of the Middle East. The Naqshbandi affiliated intellectuals based this accusation on the grounds that the Nurcu movement did not support the pro-Islamic political parties, but allied itself with such political parties as the DP and Justice Party - which were alleged to be working against the independence and sovereignty rights of Turkey by their adherence to military alliances established under the leadership of the U.S.

Nevertheless, it is here that we can see an attempt on the part of Said Nursi to link an “internal jihad” with the external one. Internal jihad was about self-purification of human life at the individual level through acquiring the knowledge of the Qur’an and implementing it in everyday life. The external jihad was a collective struggle of Muslim nations against the expansion and domination of “corrupt” values from the West. It was within such linkage that Said Nursi’s ideas on development needs to be understood. His understanding of “development” was one which linked Islamically defined consumption norms to advancement in science and technology. The scientific knowledge required for technological innovations and industrialization was, according to him, present in the Qur’an. The task of a Muslim was to discover that knowledge and link it to economic development projects, as opposed to borrowing science and technology from the West. This was a project he envisaged for all Muslims to follow, one which required international cooperation from Muslim countries.

9.2.3. The Naqshbandi Tariqa

In addition to the growing political influence of the Said Nursi movement, a parallel influence was
exerted by the Naqshbandi Sheikh Mehmet Zaid Kotku. After the abolition of tariqas in 1925, none of the Naqshbandi sheikhs were able to set an agenda in order to revive the tariqa. It was only in the 1930s that Sheikh Abdulhakim Arvasi emerged as a successor worthy of Gumushanevi. Following the death of Arvasi in 1934, Kotku became the Sheikh of the Naqshbandi tariqa in 1952, while he was the Prayer Leader of the Ummugulsum Mosque in Istanbul - appointed by the Directorate of Religious Affairs. In 1958 he was transferred to the Iskenderpasha Mosque and worked there as a state employee until his death in 1980. The mosque where he had officially worked as a Prayer Leader became the Naqshbandi center for his teachings (Mardin, 1991).

In contrast to Said Nursi, Kotku’s emphasis was on sohbet (gathering, conversation) in consolidating small, personal, community-based networks of followers. Those who were in his inner circle (later during the period between the 1960s and 1990s) obtained highly strategic positions in the government bureaucracy and in politics. These included Prof. Necmettin Erbakan, the first founder of the Turkish pro-Islamic political party and former Prime Minister of Turkey, and Korkut Ozal, Minister of various coalition governments during the 1970s and the brother of former President, Turgut Ozal, who was also within the Sheikh Kotku circle.

Sheikh Kotku showed remarkable success in capturing the discourse of secular intellectuals and understanding the problems of modernity and economic development. Under the leadership of Sheikh Kotku, the Naqshbandi tariqa assumed a new role in Turkish politics. While during the 1920s its focus was on the form of state power and secularism, during the 1950s the emphasis shifted towards an Islamic definition of the needs structure and consumption norms to be joined with the indigenous potential of industrial production conditions. Besides strengthening faith, Kotku’s primary emphasis was on the development of a “truly” national industry. He encouraged Prof. N. Erbakan, a mechanical engineer, to work on a model industrial plant; designed, developed and established nationally. This encouragement led Erbakan to found a factory making irrigation pumps (Mardin, 1991: 134). He advised his followers to refrain from using imported customer goods, particularly in food and clothing, and to establish a national
industrial development plan in order to avoid falling into what he called a “colonial” status. This led his followers working in the State Planning Organization to formulate strategies for heavy industrialization in Turkey. Ersin Gurdogan’s work during the 1960s in the State Planning Organization is an apt example of this strategy. Kotku’s sensitivity to modernity was later, during the 1980s and 1990s, taken up by his successor Prof. Cosan - Professor in the Faculty of Theology at the Ankara University - who gave extraordinary emphasis to the spread of Naqshbandi teachings on faith and national heavy industrialization. He accomplished this through the use of print media, fax and computer facilities. I will discuss Sheikh Kotku’s ideas on economy in greater detail in Chapter 12.

9.3. Conclusion

The question of religion became a major controversy in the Turkish parliament during the late 1950s, not only because of an increase in the number of Imam-Hatip schools, but also because of the growth in the influence of the Nurcu movement and Naqshbandi order. The RPP accused the government of encouraging obscurantism. In retrospect, although the DP did use religion for political ends, it did not pursue a policy encouraging obscurantism. The DP’s policy regarding Islam was, to a large extent, limited to its recognition of the role of religion in folk conceptions of the largely rural population. To repeat the argument of Chapter 7, the political intent of the DP was to extend and deepen the Kemalist nation-building project by incorporating both Islam and the peasantry. As the Kemalist project had been built by an alliance of military and high civil bureaucrats - via a secular break with Islamic beliefs and practices, this innovation of the DP incorporated both ideological and social contradictions into national politics.

The religious revival of the Nurcu movement and the Naqshbandi tariqa in the 1950s was in opposition to the economic policies of the DP. The political liberalization experienced after 1945 opened up a political space for the re-emergence of religious orders and movements like the Risale-Nur movement and the Naqshbandi tariqa. In response, an Islamic political agenda began to develop against the specific

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5 See: his collected speeches in *Jihad* and *The Qualities of the Believer* published in 1984.

6 I will be concentrating on the economic aspect of Kotku’s teachings in the following chapters of the thesis.
development trajectory externally imposed within the Cold War exigencies of the state system. Both Said Nursi and the Naqshbandi tariqa directed their attention to the use of mobilized rural and urban manufacturing interests against those benefitting from the consumer goods producing large industries. The goal of development was to overcome moral decay and corruption. In order to do so, the immediate target of both the Nashbandi tariqa and the Nurcu movement was to strengthen the Islamic faith among Muslims and redefine their needs and consumption patterns. The Naqshbandi went a step further and argued for the restoration of the independent capacity of the state to design and implement policies in relation to the culturally based consumption needs. The morally defined project of development needed to be joined with a balanced view of the economy between Islamically defined consumption norms and industrial production. They wanted to constitute self-sufficiency and independence in the national society of Turkey.

It appears that an Islamic idea of development shows a striking similarity to the theories of "underdevelopment". To claim that externally-imposed development strategies resulted in a decline in national economic and political power was not to propose an alternative view of development. The Nurcu movement and Naqshbandi tariqa were merely calling the process of economic development corrupt or morally decadent.

The term corruption was used to come between universalism and/or continuity in Islamic principles and practice, on the one hand, and change, on the other. The Islamic projects of the Nurcu movement and the Naqshbandi tariqa appear to be a starting point for "empowerment" against the morally destructive effects of capitalist development. Even though there is no evidence that either Said Nursi or Sheikh Kotku had read Karl Marx on the process of capitalist development, as one entailing creative destruction, they were nonetheless acting on that very premise. As opposed to Marx' acceptance of capitalism as a positive force in the sense that it "liberates" and/or releases humans from the constraints of tradition and religion, the question for them was one of supervising the process of economic development in such a way that creative destruction (i.e. moral decay) would not take place. Supervising the process of economic development was a matter of linking Islamically defined consumption norms to the mobilization of an indigenous potential of production conditions. It is with this question of supervision that we can see the key to the Islamic conception of economic development. Continuity in Islam and change in economic
development strategies needed to be bridged by an Islamic mobilization of the internal process itself, against the moral corruption and decay imposed by the externality of economic development. This does not mean that they were against capitalism per se, but rather attempted to divert it from its external sources of authority toward national sources of control under the regulatory framework of Islam.

The military coup of 1960 marked the beginning of a new period in the changing social structure of Turkey. Most fundamentally, the coup instituted a centrally planned, state-led industrialization policy. However, planned industrialization did not offer an "alternative" to the idea of development. It symbolized an attempt to re-establish the RPP's state-led industrialization policy of the 1930s. In the view of military bureaucrats, development required a return to strong bureaucratic supervision; their intention was to launch a heavy industrialization program, developed by the State Planning Organization, to be carried out by state economic enterprises (SEEs) and large private industrial capital.

The focus on state-planned industrialization carried with it a bias against agriculture. The industrialization strategy involved the process of unmaking the peasantry, but what, if not agriculture, would be the financial basis of for industrialization?

In this chapter, I will analyze the institutionalization of the planned, state-led industrialization policy and, as its counterpart, the process of deruralization in Turkey in its world historical context. I examine the period between 1960 and 1980, which began with the military coup of 1960 and ended with the IMF-imposed structural adjustment to a market-oriented economic policy of 1980. I will specify the shifting relations of the international economy during the period, and locate the processes of industrialization and deruralization within that changing international context. This analysis will explore the central question of the chapter: how state policy for development of state-led heavy industry was reconciled with the international economic order of the period. I argue that the industrialization plans evolved within the conjuncture of growing international rivalries in the NATO bloc between Western Europe and the United States, on the one hand, and between Greece and Turkey, on the other.

As opposed to the American policy of integrating Turkey into the world economy as an agricultural economy, Turkey followed a policy based on state-led heavy industrialization. Economic and political ties with the European Community (EC) allowed Turkey to follow a nationalist industrialization policy. The political-strategic conflict between Turkey and the United States over the Cuban-Turkish missile crisis and Cyprus brought Turkey closer to the EC. On the economic front, the increasing competitiveness of
European economies with the U.S created positive conditions for the mobilization of industrialization in Turkey. Migration from rural to urban areas both nationally and internationally also facilitated the process of industrialization. During the 1960s and early 1970s Turkey benefitted from the export of labour abroad and the inflow of workers' remittances. This strategy helped Turkey benefit not only from worker remittances, in the form of foreign exchange, but also from an easing of the internal political problems of urban unemployment due to labour migration.

In order to develop this argument, I will first analyze the competitive growth of European economies vis-a-vis the U.S, and then consider its implications for the re-organization of the world economy. I will then be in a position to answer the question of how Turkey was able to bypass American opposition to a state-oriented industrialization policy.

10.1. The U.S and the European Economic Community

As I explained in chapter 8, The primary interest of the United States was to contain national capitalist economic planning in Europe by delinking the complementarity between European industry and agricultural production in the “Third World”. The U.S promoted the idea of industrialization among the states of the emergent Third World - a process which was mediated by the export of subsidized U.S wheat as financed by food aid (Friedmann, 1982). Between 1951 and 1972 low and stable grain prices on the world market not only discouraged its production in the formerly self-sufficient or surplus producing regions of the world, but also helped the nation-states of the emergent Third World redefine the goal of development as one of industrialization. The reorganization of world agriculture to the disadvantage of the Third World resulted in major rural depopulation (Araghi, 1995). Small producing Third World peasants were thereby transformed, in varying forms and degrees into wage earning urban migrants. The political-military link for Africa and Asia was decolonization, while Turkey and the states of Latin America had already initiated industrialization as a response to the depression of the 1930s.

In order to divert Europe from its old imperialism and integrate it into the Atlantic capitalist economy, the best way according to American policy makers, was to encourage Western European unification and accept restraints on the expansion of its power (Ginsberg, 1989: 256-279; Friedmann,
1992; Block, 1972: 164-203). Until the late 1950s, the organization of the postwar world economy had proven difficult, due to a dollar gap, restrictions on currency convertibility and a world trade still characteristically bilateral. Therefore, the U.S accepted the formation of a European tariff bloc, and encouraged protectionist policies throughout Western Europe predicated on export-led growth (Cafruny, 1989: 116). In concordance with this strategy, France, West Germany, Belgium, the Netherlands, Italy, and Luxembourg formed the Common Market (European Economic Community)¹ in 1958.

The EEC was established to increase the volume of intra-European trading via tariff cuts within a framework of free internal trade and common external tariffs, and correspondingly to decrease the purchase of supplies from dollar areas, and end the postwar dollar gap (Marsh, 1989: 148-153; McCormick, 1989: 125-126). This worked for the interests of American transnational companies. Although the common external tariffs of Europe would work at the expense of those companies investing domestically in the U.S for exports, they could not prevent American transnationals from investing capital directly in branch plant production inside the protective walls of the EEC (van der Pijl, 1984: 193-194). In this sense, the formation of the EEC was an extension of US support for the European reconstruction movement which had begun a decade earlier with the Marshall Plan (Wood, 1986). It was formed to eliminate major impediment to the flow of goods and capital between Europe and the United States, and between them and the Third World tied to their currencies. The means for breaking through this impediment was the universalization of free convertibility within EEC (Block, 1977; McCormick, 1989: 126).

Meanwhile, during the 1960s nationalist capitalist planning in Europe began to take on a new shape, one intended to spur competitive growth in the European economies. European competition was to restore European national interests as separate from those of the U.S. In this respect, the formation of the EEC created an institutional mechanism for the renewed possibility that Europe, having unified and recovered economically², might restrict American access to its markets.

¹ Initially Britain did not take part in the EEC and formed its own Outer Seven free trade bloc with Austria, Switzerland, Portugal, and the Scandinavian countries. Nevertheless, in 1958 when the European Payment Union was dissolved and both EEC and the Outer Seven agreed to free currency convertibility, the possibility of division within Western Europe was substantially reduced.

² The “counterpart” provision of the Marshall Plan aid was highly utilized for financing the nationally-planned economic recovery in Europe. The “counterpart” provision required recipient countries of the Marshall aid to save a
An example for this is the Common Agricultural Policy (CAP). In the face of chronic US food surpluses, CAP was established to achieve import substitution of food and agricultural reconstruction in Europe (Friedmann, 1993). In the immediate aftermath of WWII the U.S permitted Western European countries to increase agricultural output through high levels of protection, subsidies and price supports. As part of this policy, prior to the Dillon Round of the General Agreement on Trade and Tariffs (GATT) (1960-61), agriculture was excluded from GATT negotiations (Cafruny, 1989: 124).

The EEC and CAP were originally established to facilitate multilateral ties between the EC and the U.S towards a transatlantic integration. In trade, there is no EC-US cooperation accord. Trade is regulated by GATT, which came into being in 1948 as a temporary arrangement until the International Trade Organization was established (Raghavan, 1990). It was in the face of increasing EC protectionism that CAP gradually began to push Western European agricultural products into world markets (e.g. in dairy, beef, butter, and even wheat), to the disadvantage of American farmers and agribusiness. As a response, the Kennedy administration revived GATT, and reciprocal reductions in tariffs were negotiated with the EEC. However, a general reduction in tariffs was a difficult task; it did not bring about the liberalization of trade. Instead, it was instrumental in opening space for transnational corporations and promoting their “trade” between the principals and subsidiaries, and among transnational corporations. It is perhaps true that American transnational corporations operating in Europe benefitted from GATT, and their trade expanded (Raghavan, 1990: 50). Because of continuing pressure from protectionist groups, both in the U.S and Europe, GATT could not liberalize trade.

The economic dimension of EC-US multilateral ties during the 1960s was regulated by the OECD. The OECD was created in 1961 as a direct descendant of the OEEC (Organization for European Economic Cooperation), an organization that had been created in 1948 to eliminate the import restrictions within

The International Trade Organization (ITO) was never realized because the Havana Charter for ITO was never ratified by the US Congress since it perceived the ITO as a transnational mechanism which would restrict some part of US sovereignty in the area of trade policy. As a result, the GATT has remained as a provisional treaty - a contract among governments acceding to it, and not a definitive treaty with its own institutional arrangements (Raghavan, 1990: 48).

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sum of domestic currency equivalent to the aid (van der Pijl, 1984: 179). This sum of local currency provided the source for the expansion of credits to private industrial investment carried out by either American transnationals or domestic investors.

3 The International Trade Organization (ITO) was never realized because the Havana Charter for ITO was never ratified by the US Congress since it perceived the ITO as a transnational mechanism which would restrict some part of US sovereignty in the area of trade policy. As a result, the GATT has remained as a provisional treaty - a contract among governments acceding to it, and not a definitive treaty with its own institutional arrangements (Raghavan, 1990: 48).
Europe and between Europe and the Dollar area. In contrast to the 1950s, when the strictly bipolar world configuration facilitated US-EC cooperation around the Marshall Plan - during the 1960s, with the emergence of the EEC, the relationship between them was one of competition and rivalry as they tried to adjust to their changing relative positions in the world. The U.S creation of the OECD in 1961 was, thus, an attempt to revive and strengthen Atlantic integration.

With the entry of the United States and Canada as full members, the U.S tried to influence the direction of the EEC through the OECD (Block, 1977: 171). The critical issue in this regard was the development of preferential trading arrangements between the EEC and some of their former colonies and the Third World countries - mostly with the former French colonies in Africa. With the formation of the OECD, the U.S hoped

\[\text{"to present a united front to the underdeveloped countries and to exert pressure on the European allies to increase their aid contributions and to pursue aid policies that contributed to international openness." (Block, 1977: 171).}\]

The Americans wanted to cultivate an Atlantic partnership by promoting European cooperation through the OECD. There was some success in that European countries increased their aid contribution to Third World countries, but they did it in such a way as to consolidate their economic and political links to a part of the Third World (Block, 1977: 172). The EEC’s aid contribution did work towards creating partially closed trading blocs with its colonies, former colonies and Mediterranean countries. In the early 1960s, the EC began to grant tariff reductions on certain imports from close trading partners in Africa and the Mediterranean (Ginsberg, 1989: 266).

Prior to 1971, attempts to re-organize U.S-EC relations by strengthening multilateral ties were aimed at establishing cooperation. The GATT, EEC, and OECD were thought to be an important part of broader transatlantic cooperation. But, they did not work the way American planners intended. The goal of Atlantic partnership, conceived as European cooperation on American terms, was frustrated by European resistance. Similarly, U.S policy makers’ focus was on solving the balance of payments deficit, rather than on an Atlantic partnership (Block, 1977: 164-202).

In terms of military relations, during the 1960s, in order to deflect the EEC from pursuing an independent path of separate arrangements with its former colonies, Mediterranean countries and the East,
the test of American policy was the degree to which it promoted the unity of NATO (van der Pijl, 1984; Calleo and Rowland, 1973; Calleo, 1970; Kaldor, 1979). It was a test to ensure that Europe would continue to depend on the U.S for its security. During the 1960s, the Soviet threat was greatly intensified with its reference to the growing “missile gap”; the Kennedy administration then increased the military budget by 40 percent more than the Eisenhower’s largest budget. NASA was also created during this period (McCormick, 1989: 129-130). On the other hand, the EC, and especially France, was resistant to the American military hegemony which was established through NATO. During the Cuban missile crisis of 1962 and the Vietnam War, it became clear to the EC that American military advances in Latin America or Asia might drag Europe into military adventures against its own interests. Responding to the growing difference of position between the U.S and EC, the U.S tried to establish the Multilateral Nuclear Force (MLF). With this scheme, the U.S sought to continue its monopoly over high tech nuclear weaponry. It also urged Europe to substantially increase its contribution of conventional forces to NATO. For France, the MLF was a means to provide the illusion of participation without the substance of control (Calleo, 1970: 50). And when the Nonproliferation Treaty was signed between the U.S and Soviet Union after the Cuban missile crisis, the French responded by walking out of NATO’s military organization in 1966 (Pryce, 1970; Grosser, 1967). Meanwhile, Germany, starting in 1968, began to follow its own interests by cultivating closer ties with the Soviet Union under a policy of Ostpolitik (Whetten, 1971). In the face of unfolding rapprochement between the U.S and the Soviet Union, which culminated in detente in the 1970s, both France and Germany were convinced that NATO was an instrument for the assertion of American national interests in Europe.

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4 France’s opposition to the American military hegemony in Europe was an expression of general French resistance to the Atlantic integration, and to the role Americans attributed to Germany in that integration. De Gaulle explains it in his memoirs: “... I intended to cooperate with East and West, and if need be, contract the necessary alliances on one side or the other without ever accepting any kind of dependency ... I intended to persuade the states along the Rhine, the Alps, to form a political, economic, and strategic bloc; to establish this bloc as one of three world powers and, should it become necessary, as the arbiter between the Soviet and Anglo-American camps ... I intended to prevent the rise of a new Reich that might threaten the safety of France ...” (De Gaulle, 1960: 44-60).

5 McCormick explains this argument very well: “The U.S offered American-made Polaris missiles to Great Britain if it would scrap its own missile program (Skybolt), and transfer some of the Polaris to MLF submarines. And it made the same offer to France. The U.S hoped that its own acceleration of the arms race both in technology and in size, would make it too expensive for France or other European powers to pay full membership fees to the “nuclear club”” (McCormick, 1989: 131).
American policy makers faced the challenge of finding a way for the U.S to improve its balance of payments, on the one hand, and strengthen transnational cooperation, on the other. During the 1960s, the U.S chose to strengthen American transnational investment abroad, which ultimately gave way to a deficit in the balance of trade and an outflow of dollars. The export of American consumer goods was already in a deficit position toward the end of the 1950s. In late 1960s the U.S also experienced a deficit in the export of capital goods (Block, 1977: 142-146. Armstrong, 1991: 156-160). That is to say, while American transnational companies were benefitting from investing in the highly protected economies of Europe and elsewhere, the American civilian economy and its capacity to compete abroad suffered. This process ultimately led to the breakdown in the 1970s of the Bretton Woods monetary system of fixed exchange rates, which was designed to slow the conversion of foreign dollar holdings into gold by giving governments a sound alternative (Block, 1977: 180).4 In 1971 the Nixon administration devalued the dollar, and indefinitely suspended the convertibility of the dollar into gold (van der Pijl, 1989; Armstrong, 1991: 207-211). By devaluing the dollar, the Nixon administration started a new strategy for the reorganization of the world economy.

During the 1970s, the strategy was shifted to one based on strengthening export capacity in order to improve trade balance. The opportunity for strengthening the U.S capacity to export, as linked to the devaluation of dollar, was created by the 1971 Soviet-U.S grain deal (Friedmann, 1991). Soviet grain imports rescued the dollar, but produced drastic imbalances in the distribution of world food supplies at the expense of Third World countries. Once the U.S food surplus was absorbed because of Soviet grain imports, and prices became higher, earlier U.S food policy shifted from one based on sale for local currency to another based on payment in hard currency. The result was deteriorating balance of payment deficits in many Third World countries, and hunger and starvation in Africa (Friedmann, 1991 and 1991b).

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4 Towards the mid-1960s, once dollar-short Europe found itself with a growing surplus of that currency as a result of military and food aid, private investment by American transnational companies, and Europe’s improved trading performance. Dollars were, thus, increasingly drained from the U.S. Dollar reserves on Euromarkets were transferred as credits to private business in Europe. This process gave way both higher interest rates in Europe and further withdrawal of dollars from the U.S (Armstrong, 1991: 208). As a result, many European countries began to convert their excess reserves of dollar into gold, placing a strain on America’s gold supply and ultimately on the value of dollar (Cafruny, 1989: 117). An integral part of dollar drain from the U.S was the deterioration of America’s trading position in the world commerce.
The process of re-establishing U.S balance of payments surplus by promoting U.S exports, at the expense of transatlantic integration between EC and the U.S, benefitted transnational corporations and opened the way for a transnationally united capitalism (van der Pijl, 1984: 254-271, and 1989; Gill, 1990). This process was complemented by an enormous expansion in Euromarket credits through the addition of oil dollar surpluses from OPEC countries, accumulated mostly during the oil crisis of the 1970s (Bromley, 1991). The relocation of industry by transnational companies in the Third World (Froebel et al., 1980; Deyo, 1987; Hogvelt, 1982) was an integral part of the expansion of the money supply, through the rise of dollar reserves on Euromarkets.

After the early 1970s the international distribution of industrial capacities changed. Industrial production has been relocated by transnational corporations from traditional centers of Western Europe and North America to new emerging centers of Southern Europe, parts of Latin America and Southeast Asia. These countries are now referred to as the newly industrializing countries (NICs).

In summary, the years of the 1960s and 1970s were marked by transatlantic tensions over economic and military relations between the U.S and Europe. What became clear during that era was that Western Europe would probably ally itself to the United States, but it would not accept to be integrated under American economic and military hegemony.

The present chapter will follow the implications of the foregoing analysis by giving particular attention to the case of Turkey; specific emphasis being given to Turkey's industrialization policies, as they shifted in the complex relations of the Atlantic political economy between 1960 and 1979.

10.2. Turkey and the United States

The U.S had placed a high priority on the economic integration of the Third World into the Atlantic economy by emphasizing industrialization led by transnational companies. The private foreign investment in the Third World was a result of overcoming tariff barriers imposed by Third World countries pursuing import-substituting policies. However, after the Suez crisis, there was a trend of spreading political nationalism, as was the case with pan-Arabism in the Middle East. This phenomenon posed a "Third World problem" for the U.S. The problem the U.S faced was how to maintain a fine balance
between economic internationalism (- the U.S had always wanted Third World countries to be an integral part of the overlapping triangular trade regime to be organized under its control) and political nationalism. In the case of Turkey, reaching a solution to this problem would be complicated. The difficulty was rooted in the fact that Turkey, by virtue of its geo-strategic location, began to cultivate close economic and political relations with the EEC, the Soviet Union, and Muslim countries of the Middle East. Contrary to U.S desires, Turkey followed an industrialization strategy led by SEEs. I begin by examining the national industrialization plan of Turkey as it evolved in opposition to the U.S.

In the view of various U.S governments, Turkey had become an ideal ally during the 1950s under the DP government. By the late 1950s, however, anti-American feelings had already begun to surface in Turkey because the U.S was levelling criticism against the economic policy of public spending by the DP government. In the face of rising U.S criticism, Prime Minister Menderes sought to acquire Soviet economic assistance, even though he was a willing supporter of the American Cold War policy in the Middle East. He planned to visit the Soviet Union to negotiate barter terms and to re-orient Turkish foreign policy toward rapprochement with the Soviet Union (Ulman and Dekmejian, 1967: 772-773). The most important step towards a Turkish-Soviet rapprochement was taken when the DP government stopped American U-2 spy planes from flying over Soviet air space via NATO bases in Turkey (Kucuk, 1984: 536). However, the government’s efforts to establish closer relations with the Soviet Union were thwarted by the military coup which took place on May 27, 1960. The generals who carried out the coup promised to remain loyal to all of Turkey’s alliances, and declared that they were not interested in improving relations with the Soviet Union. The leader of the coup, General Gursel, thereby rejected Khrushchev’s offer of $500 million worth of economic and technical aid for Turkey (Golubol, 1971: 336).

The U.S was pleased that the military government ended the era of DP rule. Faced with increasing trade deficits during the late 1950s, the U.S was not willing to accommodate the economic strategy of the Menderes government which had relied heavily on foreign capital inflows. The Americans intended to shift Turkish economic policy in such a way that it would be financed by OECD loans. On the other hand, the inflow of loans was made conditional on the government’s acceptance of an IMF-designed stabilization program. Even though the DP government had accepted the IMF stabilization program on August 4, 1958,
there was not much confidence in the government that it would follow the program. The IMF program required the government to reduce budget deficits, increase the price of SEE products, decrease government spending, and, most importantly, adopt more planning in order to bring some control over public spending and the allocation of foreign exchange. Despite the fact that the government had formed a planning board in 1959 (Gunce, 1967), there were doubts about the government’s sincerity regarding a centrally planned economic policy. The government had also shown signs that it was no longer reliable. In order to deflect IMF requirements, Menderes made it clear that Turkey could improve relations with the Soviet Union.

The military coup of 1960 gave the necessary confidence to the U.S to promise a planned allocation of scarce resources, especially of foreign exchange, in the service of import substitution. From this point of view, the military coup started the transition to a planned industrialization strategy after it ended the DP era⁷ in 1960. In fact, the coup responded directly to the American pressure.

10.2.1. Planned Industrialization

The most important economic decision made by the military government was to create the State Planning Organization (SPO), which was established three months after the coup in September 1960. The idea of planned industrialization became a constitutional requirement in 1961. The main intention of the plan was to achieve self-sufficiency and raise Turkey’s economic status to that of an “industrialized” country.

⁷ On 31 August 1960 the DP was suspended and on 29 September it was dissolved, and the former leaders of the DP were arrested. They were tried by a nine-man tribunal of judges appointed by the military coup leaders. There was no legal basis for the tribunal itself and its members were clearly biased against the DP. The charges were a strange mixture, which consisted of three criminal cases, nine cases of corruption and seven cases of violation of the constitution. The criminal and corruption cases were bizarre, which were brought largely to tarnish the reputation of these men, such as one in which Menderes was accused of killing his illegitimate baby, or in which President Bayar was accused of forcing a zoo to buy a dog he received as a gift. The constitutional cases were based on Article 146 of the penal code, making it an offence to attempt to alter the Turkish constitution by forcibly silencing the Parliament. The DP leaders were accused of acting unconstitutionally when they instituted the investigatory commission on the activities of the RPP. These charges laid on the DP leaders despite the fact that the Article 17 of the constitution stated that parliamentarians could not be held responsible for their votes, and that the constitution could be changed by a two-thirds majority of the parliament which the DP had (Zurcher, 1993: 260-261; Weiker, 1973). In the end, 31 DP parliamentarians were sentenced to life imprisonment and 418 to lesser terms. 15 parliamentarian were sentenced to death. Of these, the sentences of 11 were commuted while Prime Minister Menderes, Foreign Minister Zorlu and Finance Minister Polatkan were hanged in September 1961.
The 1960 coup led to the creation of a state planning organization - a new regulatory mechanism to formulate and implement economic policy. The immediate targets of the plan were private industrialists and organized labour. Given the fact that large industrialists had little weight in the Turkish economy and the fact that organized labour was yet to be discovered, the goal was to prepare the economic and political-social ground for them to become dominant players in society. This contrasts with the former DP strategy of basing industrialization policy on small producing farmers and commercial capital. It also contrasts with the nationalist industrialization program of the 1930s in which bureaucrats operating through SEEs were the leading group. SPO plans were aimed at making large private industrial interests dominant in the Turkish economy. Nevertheless, there was no consensus between the bureaucracy and various segments among private industrialists on a concrete plan for promoting the project of industrialization. And the bureaucracy was not particularly privileged with the inception of the new model of industrialization.

The industrialization project of the period was based on a implicit coalition between the bureaucracy and manufacturing private interests. What made this coalition possible despite the obvious weakness of the large industrialists was the bureaucratic discontent, articulated by the intellectuals - mostly university professors, with the DP’s populist ideology of making agricultural interests and small producing peasants a permanent partner in coalition politics. Through a peculiar reading of the 1930s Kemalist experience, the coup leaders tried to transfer political power to nationalist planners with the conviction that bureaucratic control and supervision over the economy, as experienced during the single party era, was necessary for national industrialization to take place in Turkey. The new industrialization ideology did not conform to the interests of small producers. The new period, therefore, witnessed constant political and ideological tension between political parties over the allocation of scarce resources and income distribution. I will come back to this argument later.

There were three consecutive development plans prepared by the State Planning Organization, each of them for a five year period. Each plan was part of two main fifteen year timetables. The first and second plans were part of the first strategy of import substituting industrialization, to be realized within a fifteen year period. The third one was an application of the second strategy to be followed over the next fifteen years. The first five year plan covered the period between 1963 and 1967, and the second five year plan
covered the period between 1968 and 1972. The third plan was part of the second fifteen year strategy, and ran from 1973 to 1977. There was also a fourth five year plan, prepared for the period between 1979 and 1983. But, because of the IMF-imposed structural adjustment program in 1979, it was not applied. In fact, after the third plan, the idea of planned development lost its importance in Turkey.

The goal of the first two plans was to prepare the economy, between 1963 and 1972, for a complete system of national industry. National industry was conceived as comprising all three main branches of a total industrial structure, within the national space of the Turkish economy (namely consumer goods, intermediate goods and investment goods production). The goal of all economic development plans was to achieve a complete system of national industry through total protection from international competition.

Both the first and second five year plans required the government assist the private sector in project preparation and the granting of sizable investment and export incentives. Industrial projects that private industry would not find attractive were to be undertaken in the public sector. In large projects, which could not be undertaken by the private sector alone, the mixed enterprise approach was to be preferred as opposed to wholly state-owned enterprise (SPO. First Five Year Development Plan: 206; SPO. Second Five Year Development Plan 1968-1972. 1969: 112). The Third Plan, which covered the period between 1973-1977, gave priority to investment in intermediate and capital-goods producing industries such as metallurgy, petrochemicals, iron and steel work and machinery. The dominant theme of the plan was to consolidate industry through more vigorous state participation in industry (SPO. A Summary of the Third Five Year Plan 1973-77. 1975: 117-118; SPO. New Strategy and Development Plan 1973-1977. 893).

The common factor in all these plans was their determination to achieve a certain growth rate in the economy. The growth rate of gross national product was determined to be 7 per cent per year while the growth rate in manufacturing industry was to be more than 10 per cent. The main target of the first and second plans was to produce domestic consumer durables (e.g. cars and household appliances). The reason for a shift in industrialization from the production of non-durables to durable consumer goods was that non-durable producing industries, such as the textile and processed food industries, had already developed in the 1950s. At the same time, with the 1950s market expansion of agriculture, consumer markets had
grown with the participation of small producing peasants.

The Turkish industrialization strategies which were developed by the SPO became a major source of contention for the United States and Turkey during the 1960s. The U.S, in reference to a report prepared by Kenneth Berril, a famous economist from Cambridge, found the 7 per cent growth rate in gross domestic product too high and unrealistic for Turkey to achieve. More importantly, the U.S wanted Turkish planners to give priority to private investment in consumer goods producing industries, and insisted on the elimination of the state economic enterprises. Liberalization, but not protectionism, was among the American policy prescription for Turkey's trading regime (Kepenek, 1984: 330-331; Harris, 1972: 100). This came to mean that the U.S did not want Turkey to continue with its heavy industrialization strategy since the SEE:s were given a particular emphasis by the planners as to be the instruments for such a project. This was consistent with the overall American policy in Turkey, as was the case in 1947 when the U.S had made American aid to Turkey conditional on economic liberalization (IBRD, 1951a; Thornburg, et al., 1949). It was the same approach that had determined the IMF-imposed stabilization program in 1958. The U.S was not willing to accept the economic plans of the period, which required industry to be the dominant sector of the economy, and, especially, since it was to be carried out by both state-protected private companies and SEE:s.

During the early 1960s, the U.S tried to pressure Turkey through the OECD. The intention of American policy makers was to integrate Turkey into world trade as an agriculture-based economy. In addition to Turkey's agricultural export earnings, foreign direct industrial investment would also be encouraged to spur the production of consumer goods. The necessary foreign exchange for industrial investment would be obtained mostly through the OECD and EEC in the form of loans. This would have helped to reduce the economic responsibilities of the U.S toward Turkey.

It was within the context of U.S objections to Turkish industrialization plans that Turkey's relations with the EEC were shaped. The period during which the industrialization plans were conceived and subsequently applied roughly coincided with the period when successive Turkish governments were negotiating and implementing the provisions for Turkey's membership in the EEC. Turkey became an associate member of the EC in 1964 with the Ankara Treaty of Association (Karluk, 1990). The first two
industrialization plans of Turkey were shaped with reference to the Ankara Treaty and a subsequent agreement called the Brussels Supplementary Protocol of 1970 (Karluk, 1990; Balkir and Williams, 1993; Kazgan, 1974; Koymen, 1974).

Although the U.S had its own view regarding Turkish economic policy, Turkey chose to follow a more independent course by cultivating closer relations with the EC countries, and later, the Soviet Union. Such a strategy, it was hoped would protect Turkey’s national interests vis-a-vis the U.S. government. In the remaining sections of this chapter I will examine the goals and implementation of Turkey’s industrialization strategy, within the whole complex of EEC-Turkish economic relations as determined by the Ankara Treaty of 1964 and the Supplementary Protocol of 1970. These agreements provided for a gradual reduction of barriers to trade, financial assistance, and an approach to the free movement of workers, a process which should have been completed by 1986. Overall the change created a situation whereby Turkey would be in a position to accept customs union by 1995, thus permitting consideration of full membership (Burrows 1985: 2 Quoted in Featherstone, 1989: 200). The question is whether the gradual customs union with the EEC helped or hindered Turkey’s plans for industrialization. I will come back to these questions later in the chapter.

However, Turkish-American relations could not be limited only to economic policy since political, diplomatic and military-strategic issues were also implicated in them. The distinction between economic and political-military concerns was illusion. The Cuban missile crisis of October 1962 and the Cyprus question of 1964 provided ample evidence that the U.S was not a reliable ally. Turkish leaders were convinced that the U.S was putting its own national interests before the national security of NATO members.

Before I continue with Turkey’s relations with the EEC in relation to industrialization plans, I will briefly review how relations between Turkey and the U.S deteriorated over the Cuban missile and Cyprus crisis. During the 1960s then, Turkey began to cultivate closer relations with the EEC; it shifted its foreign policy from a unidimensional NATO policy to a multidimensional one.

10.2.2. The Cuban-Turkish Missile Crisis of 1962.
The Cuban crisis and subsequent Soviet-American strategic dialogue over the future of nuclear-headed missiles in Cuba and Turkey were decisive moments for Turkey in its efforts to establish closer relations with the EC. These events led to a rapprochement between the U.S and the Soviet Union. When the U.S. government unilaterally decided to abandon Jupiter nuclear-headed missiles in Turkey in exchange for the Soviet withdrawal of missiles from Cuba, without any negotiations with Turkey, Turkey was suddenly confronted with the question of what NATO membership meant. The reality was that

"NATO evolved from a Transatlantic mutual assistance treaty into an integrated military alliance run by the U.S. ... The decisive weapons for NATO’s defense (were) not subject to integration, but (were) under direct American control." (Calleo, 1970: 27-28).

Turkey interpreted the U.S. handling of the missile crisis as the assertion of US national self-interest rather than the promotion of NATO membership interests. As far as Turkey was concerned, NATO became an instrument for the assertion of American national interests in Turkey. Therefore, the restoration of national principles distinct from U.S military control was an urgent concern. The Turkish attempt to develop independence within NATO, thus, began as a response to secret negotiations between the U.S. and the USSR over the displacement of Cuban missiles by the USSR, in exchange for the displacement of U.S. missiles in Turkey (Sander, 1979: 198-203; Garthoff, 1982: 77-80; Sodaro, 1990: 47-48; Ulman, 1968: 159; Vali, 1971: 121, 128; Safran, 1969: 128-129; Steel, 1964; Beloff, 1963; Documents on American Foreign Relations, 1962: 396-397).

U.S. and Soviet negotiations began over the issue of Jupiter missiles in Turkey. Khrushchev sent a letter to Kennedy, dated October 27, 1962, stating that the Soviet Union would remove Soviet missiles in Cuba and respect the territorial unity and national sovereignty of Turkey if the U.S. would guarantee the same for Cuba and secure the removal of Jupiter missiles in Turkey (Documents on American Foreign Relations).

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8 The major event which resulted from the Cuban missile crisis was the hot-line agreement of 1963 in which the telephone line between the White House and Kremlin was established. The intention was to facilitate communication and negotiation during a crisis, and directed to avoid any kind of overt political and military action which might lead to a war between the two superpowers (Williams, 1977: 111). Hot-line agreement of 1963 followed by the partial nuclear test ban agreement of August 1963 and space treaty.

9 Cuban missile crisis evolved after the Soviet Union discovered for the first time in 1960 U-2 spy planes flying over the Soviet Union from NATO military bases in Turkey since the U.S intelligence missions had started in 1955. As a Soviet response to the U-2 spy planes in May 1960 the Soviet Union began to be a major arms supplier of Cuba even though the Soviet Union did not make any formal commitment to come to Cuba’s defense in the event of an American attack (Rubinstein, 1989: 216-217).
Relations. 1962: 396-397). In the case of a U.S. invasion of Cuba, on the other hand, the Soviet Union would retaliate by invading Turkey and attacking NATO military bases in Turkey.

The removal of missiles in Cuba and Turkey, however, had the effect of transforming the existing missiles of intermediate and medium range into intercontinental missiles (Garthoff, 1982: 77-80). That is, the superpower consensus over Cuban and Turkish missiles gave way to an accelerated build up of strategic forces. The consensus was over shifting the post-WWII war making strategy from a total war between the two superpowers to regional wars (Ulman, 1968: 159). This worked at the expense of the national sovereignty principle of member states.

Despite the fact that Turkey refused to accept the removal of missiles in 1962 NATO meeting (Vali, 1971: 128), the U.S. reached a unilateral agreement with the Soviet Union and proceeded to remove the missiles regardless. Turkey was not included in U.S-Soviet negotiations (Vali, 1971: 129), and took this as a direct U.S violation of its sovereignty rights. Contrary to the principle of multilateralism of the NATO alliance, the U.S. government negotiated Turkey’s national security vis-a-vis the Soviet Union unilaterally.

With the removal of nuclear-headed missiles in Turkey, Turkey's strategic importance in the Middle East declined, and the U.S unilateral strategic planning vis-a-vis NATO became more decisive in reshaping Middle East politics. Oil-producing, non-NATO members Saudi Arabia and Iran became more important for the U.S. strategic planning.

The post missile crisis strategy of Turkey, thus, consisted of increasing its bargaining power against the U.S. by improving political and economic relations with the EEC and the Soviet Union (Safran, 1969: 128-129). By following the French example, Turkey refused participation in the MLF10 even though it officially agreed to take part in it at the NATO ministerial meeting in Ottawa in 1963 (Vali, 1971: 121; Sander, 1979: 238). This was an important drawback against the NATO linkage in the Middle East.

The assertion of national interests by the government of Turkey vis-a-vis U.S policy became

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10 The creation of a multilateral NATO nuclear force (MLF) was designed for the purpose of reducing American defense expense in Europe and increasing European share in NATO. MLF was first agreed in a meeting over Cuban crisis between the American President Kennedy and the Prime Minister of England Macmillan in 1962 (Sander, 1979: 238). The purpose was to knit Europe closely to NATO especially on the issue of nuclear weapons. However, it provoked a strong Soviet and French campaign against it since it meant a growing West German military might linked to American dominance in Europe (Morgenthau, 1969: 170-171; Sodaro, 1990: 47-48).
clearer during the rising tension between Turkey and Greece (both NATO members) over Cyprus. First I would like to give a brief historical background to the unfolding of the Cyprus issue.

10.2.3. The Cyprus Question

Until its independence was granted in 1960, Cyprus was a formal British colony since 1914 - a status which was accepted both by Turkey and Greece as part of the Lausanne Peace Settlement in 1925. However, during the 1950s, Greece shifted its policy, and began to campaign for the end of British rule in Cyprus and the unification of Cyprus and Greece. The Greek ideal of uniting Cyprus with Greece is known as ENOSIS (Stephens, 1966; Ehrlich, 1974; Xydis, 1973; Couloumbis, 1983).

Turkey tried to find a solution to the Cyprus problem within the NATO framework while Greece preferred to rely on U.N. involvement. Under the strong political influence of the U.S. (due to British diplomatic pressures) the U.N. decided in 1957 that the Cyprus problem was to be solved by negotiations with England, Turkey and Greece (Adam and Cottrell, 1964: 72-83; Hitchens, 1984: 42-44). Under NATO mediation, the Zurich and London agreements were negotiated in 1959 between Greece, Turkey, Britain and leaders of Greek and Turkish communities in Cyprus. Following these agreements an independent Cyprus state was established in 1960. The key provision of the agreements was the prohibition of an

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11 Cyprus was under Ottoman administration between 1571 and 1878. In 1878 the Ottoman Sultan transferred its administration temporarily to Great Britain. Great Britain renounced the 1878 Convention and annexed Cyprus in 1914.

12 Turkey was isolated within the U.N. In 1955 there were 75 members of the U.N., most of whom were former colonies (Ehrlich, 1974: 13) and would support the Greek cause of independent Cyprus. This was because Turkey had supported the political interests of colonial powers such as Britain and France against the non-alignment pact of mostly former colonies of Asian and African states. Interestingly, Turkey had even voted against Algerian independence from France in the U.N (Royal Institute of International Affairs, 1961: 450, 533-537).

13 The Cyprus crisis initially emerged during the 1950s as a dispute between Britain and Greece. The British, sought to weaken the Greek involvement in Cyprus. In the face of Egyptian nationalization of Suez, the military bases in Cyprus were vital for Britain to the extent that the British used these bases in the Suez war. In order to counter the Greek campaign for self-determination in Cyprus, British encouraged Turkey to get involved against the Greek policy of self-determination. British-Greek dispute over Cypriot self-determination in the U.N. was transformed by 1959 into a Turkish-Greek bilateral dispute over the future of Cyprus in NATO with the British now playing the "honest broker" (Couloumbis, 1983: 31-32).

14 The Zurich-London agreements established the parameters for the Cypriot constitution. By constitution, the President must be a Greek Cypriot, and the Vice-President a Turkish Cypriot, each elected by its own community. Their executive powers are essentially co-terminous. Each can block the important actions of the other. Council of
amendment granting the basic founding principles of the constitution of Cyprus. (U.S. Senate, 1980). As a NATO policy compromise, Greece was to give up the idea of ENOSIS and Britain was to renounce colonial control of Cyprus (Adams and Cottrell, 1964).

By the Treaty of Guarantee, Turkey, Greece and the United Kingdom were guarantor powers with the responsibility of prohibiting all activity which directly or indirectly promoted either union with Greece or partition of the Island. In the event of a breach of treaty, the guarantor powers reserved the right to take action, after consultation with each other. By the Treaty of Alliance, Greek and Turkish governments were empowered to protect the Island militarily. This included the establishment of a permanent military headquarters with 950 Greek and 650 Turkish troops. The Treaty of Establishment, on the other hand, stipulated that Britain would retain sovereignty over two military bases - an area totalling 99 square miles (Ehrlich, 1974: 38; Hart, 1990: 143-158).

10.2.3.1. The Johnson Letter and the Acheson Plan.

The Cyprus question re-emerged once again in 1963, when the Greek leader and President of Cyprus Makarios reopened hostilities between Greek and Turkish Cypriots which the Zurich-London agreements had temporarily suspended. Makarios' intention, by revising the constitution, was to pursue the "independence" of Cyprus under exclusive Greek rule, with political support from the Soviet Union and the Non-Aligned states of the Bandung Conference (Hitchens, 1984: 57-60; Ehrlich, 1974: 36-48; McKinnon, 1968: 47-48).

The governments of Turkey and the U.S disliked the policies of Makarios regarding the independence of Cyprus. One component of this displeasure was Makarios' collaboration with the communist AKEL party in Cyprus (Bolukbasi, 1988: 54) for the purpose of building up a secret Greek Cypriot army (Foley, 1964: 166). Moreover, the fate of Turkish Cypriots caused deep concern in Turkey.

Ministers hold all residual executive power. The President designates seven members and the Vice-President three. The members of the Parliament are elected seventy per cent from the Greek Cypriot community and thirty per cent from the Turkish Cypriot community. The civil service must include the same proportion of membership, the army in a 60-40 ratio. The institutional protection of Turkish Cypriot interests is built into the constitution through the required representation in every level of the government with a Turkish veto power over crucial decisions (Ehrlich, 1974: 37-38).
The U.S. administration was also unhappy with Makarios’ non-aligned policy. Makarios developed close relations with Nasser while attempting to make Cyprus an active member of the non-aligned Afro-Asian group (Stephens, 1966: 174, 200-201; U.S. Senate. 1980; McKinnon, 1968: 44-45; Adams and Conttrell, 1968).

Despite the fact that Cyprus was rather remote in terms of military and economic power, it had wider strategic implications for the NATO defense strategy. U.S under Secretary of State George W. Ball, in his talk at the Chicago Council of Foreign Relations on September 18, 1964, listed the reasons for American concern over Cyprus. First, because of the ethnic ties of Cypriots to Greece and Turkey and the complicated treaty structure of the Zurich-London agreements, the Cyprus conflict tends to produce armed struggle between Turkey and Greece; Second, it has direct concerns for Great Britain as one of the guarantor powers with strategic military bases on the Island; Third, it threatens the stability of NATO’s Southern flank defenses and consequently concerns all NATO partners; Fourth, the Cyprus crisis has stimulated a new relationship between the government of Cyprus (which was established in 1960) and other non-aligned states; Fifth, Because of Cyprus President Makarios’ close relations with the Soviet Union, the Cyprus conflict could bring about the intrusion of the Soviet Union into the strategic Eastern Mediterranean (quoted in Adams and Cottrell, 1968: 4).

As negotiations failed to reach a consensus\textsuperscript{15}, Inonu, then Prime Minister of Turkey, informed the U.S. of his intention to intervene in Cyprus. Several times during the spring of 1964 the Inonu government considered military intervention - a step which it felt was authorized by existing agreements. The U.S. response was spelled out in the letter written by President Johnson on June 5, 1964\textsuperscript{16}. President Johnson told Prime Minister Inonu that Turkish intervention in Cyprus would lead to a war between Turkey and Greece. A war between NATO countries was, for Johnson, “literally unthinkable”.

Johnson’s threatened to isolate Turkey within NATO and impose a U.S military embargo. In the

\textsuperscript{15} In January 1964 a conference was called in London to find a political solution to the Cyprus problem. The Turkish proposal consisted of either the partition of the Island or the separation of two communities under a federal system. The Greek Cypriots proposed that the Turkish Cypriots should accept the abolition of all partnership rights and status and agree to become a minority in a Greek-ruled Island (Ertekun, 1984: 19).

\textsuperscript{16} For the whole text see: Middle East Journal, Summer 1966: 386-93; Also quoted in Hart, 1990: 163-175.
event of a Soviet attack, according to Johnson, NATO allies and the U.S. would not be obliged to protect Turkey, since such a decision to intervene in Cyprus would be taken by Turkey without the full consent of NATO allies. President Johnson also told Inonu that any military equipment supplied by the U.S. (under the Article 4 of the Military Assistance Agreement signed between the U.S. and Turkey in July 1947) should not be used by Turkey for purposes other than those involving NATO interests without obtaining U.S. consent. Johnson asked Inonu to “delay” his decision to intervene in Cyprus (Hart, 1990: 163-166).

The message delivered by the Johnson letter caused bitter parliamentary debate and deep concern over the U.S. and NATO commitment on behalf of Turkey’s external security. For Inonu, an alliance among states which ignores their mutual contractual obligations and commitments was unthinkable (Hart, 1990: 171). Inonu strongly objected to the American intimidation in his reply to Johnson that no assistance would be available against a Soviet aggression:

“The part of your message expressing doubts as to the obligation of NATO Allies to protect Turkey in case she becomes directly involved with the USSR as a result of an action initiated in Cyprus, gives me the impression that there exists between us a wide divergence of views as to the nature and basic principles of the North Atlantic Alliance. I must confess that this has been to us the source of great sorrow and grave concern. ... If NATO members should start discussing the right and wrong of the situation of their fellow member victim of Soviet aggression, ... and if the decision on whether they have an obligation to assist the member should be made to depend on the issue of such a discussion, the very foundations of the Alliance would be shaken and it would lose its meaning.” (Vali, 1971: 131; Hart, 1990: 172).

The ultimatum-like letter of President Johnson has left a lasting imprint on Turkish-American relations. It was not only interpreted as giving support to Greece but also as an abandonment, or betrayal, of Turkey. The letter which reminded Turkey that NATO weapons could not be used without the approval of the United States exposed the dependent character of Turkey within NATO. At the same time, the threat that no assistance could be expected against a Soviet aggression on Turkey, following an action against Cyprus, shook Turkish confidence in American commitments regarding the defense of Turkey. Inonu announced to his cabinet: “Our friends and our enemies have joined hands against us” (Vali, 1971: 132).

The Secretary General of the RPP, Ecevit, argued that Turkey’s NATO membership could be irrelevant

17 Prime Minister Inonu on his answer to Johnson dated June 13, 1964 stated that Turkey has postponed the decision to exercise Turkey’s “right” of unilateral action in Cyprus conferred by the Treaty of Guarantee. Prime Minister Inonu also asked Johnson in his letter to take a firm stand on the issue as to which party is on the right side in the dispute between Turkey and Greece (Hart, 1990: 169).
when Turkey's national interests were at stake. In 1965 he wrote in the Milliyet newspaper:

"... We began to question whether or not Turkey's membership in NATO made any contributions to Turkish security ... Membership in NATO ... would be useless for Turkey if our allies changed their commitments to the defense of member states ... We began to realize how isolated we are (in the international community)." (Ecevit, 1965b).

The Turkish press started to call for a revision of Turkey's foreign policy. For example, C. Altan, a liberal writer for the Milliyet newspaper, stressed a policy of nonalignment for Turkey's interests (Milliyet Newspaper, July 11, 1964). A. Ipekci, writing for the same newspaper, called for improved relations with the Soviet Union (Milliyet Newspaper, August 5, 1964).

Growing anti-American sentiments in Turkey were intensified by a proposal made by the former U.S Secretary of State Dean Acheson in a meeting held in Geneva in 1964 (Ertekun, 1984: 19-20). The Acheson's plan contained the partition of the Island between Greece and Turkey with the intention of averting a potential military conflict within NATO and neutralizing Soviet-supported Makarios in the Island (Hitchens, 1984: 58-59). The Acheson Plan which proposed a double partition of Cyprus was rejected not only by Turkey but also by Greece (Hitchens, 1984: 60).

Johnson's response to the Greek rejection of the Acheson plan was to withdraw NATO aid from Greece. Prime Minister George Papandreou's response was to rethink Greek membership in NATO. Johnson's reply, delivered to the Greek Ambassador in arrogant and obscene language, consisted of a blatant threat to the Greek sovereignty. Johnson told:

"Fuck your parliament and your constitution. America is an elephant. Cyprus is a flea. Greece is a flea. If these two fellows continue itching the elephant, they may just get whacked by the elephant's trunk, whacked good ... If your Prime Minister gives me talk about democracy, parliament and constitution, he, his parliament and his constitution may

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18 The most important component of the plan included allocating a sovereign base area in Cyprus to Turkey covering approaches to Turkish ports. Turkish Cypriots would also receive two small areas on the Island under their own administration (Hart, 1990: 12) As far as Turkey and Turkish Cypriots were concerned, this plan was nothing but an attempt to force Turkish Cypriots into small reserves or enclaves.

19 The primary Turkish interest in the island has been strategic. Cyprus is only 40 miles from the southern coast of Turkey. That is why from the beginning of the ENOSIS campaign Turkey opposed the union of the island with Greece. If Greece united with Cyprus, Greece would gain a major strategic advantage; in the eyes of Turkey this would mean the encirclement of Turkey by Greece from the south as well as from the west since the Aegean islands, very closely located to Turkey, have already remained within Greece by the Lausanne peace treaty (Bahcheli, 1992: 68).
not last very long." (Quoted in Hitchens, 1984: 61-62)²⁰.

In Turkey, the conflicting views on Cyprus and NATO were demonstrated in the Johnson letter and Inonu's reply. This experience induced Turkish leaders to re-evaluate their relationship with the U.S and their role in NATO. Up to that time, governments of Turkey had never seriously analyzed the context of American interests relating to Turkey, or Turkey's interests as they related to the role of the U.S in the affairs of Turkey. From 1964 onwards, Turkey ceased to follow the American initiative automatically. Following the example of EC countries, a search began for a more independent and multi-dimensional foreign policy initiative. A search for independence brought with it closer ties with the EC and rapprochement with the Soviet Union. During the 1970s, Turkey also began to cultivate closer relations with the Muslim countries of the Middle East.

The logical extension of Turkey's new foreign policy was to establish close links with the EC countries, in such a way that it would not impede the flexibility Turkey sought in its new foreign policy approach. Adjusting Turkey's industrialization strategies to that of the EEC was part of its new orientation.

10.3. Turkey and the EEC: Industrialization Strategy

Turkey wanted to be part of the European Economic Community which was rapidly emerging as a powerful bloc within the North Atlantic Alliance structure. There was a general consensus among political parties that it was in Turkey's best interest to maintain a balance in relations between Europe and the United States so as to have the greatest flexibility within the alliance. Turkey had already established links with various institutions in the European Community (Karluk, 1990), and hoped to ultimately gain membership in the EEC.

This is where matters stood when the transition to a planned economy began in 1963.

Industrialization plans of the period sought to prepare Turkey for free trade within the custom union. The Ankara Agreement, signed in 1963 and approved in 1964, acknowledged Turkey's status within the EEC as

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²⁰In July 1965 King Constantine of Greece, backed by the traditional right in the army, took over parliamentary power and dismissed George Papandreou as the Prime Minister over charges that Andreas Papandreou, son of the Prime Minister George Papandreou, was involved in a plot by leftist army officers to seize power. The parliamentary disputes in Greece later resulted in the seizure of power by Greek military led by George Papadopoulos on April 21, 1967 (Hart, 1990: 17-18; Ehrlich, 1974: 93-94; Stephens, 1966: 194).
an "associate member" - a status which would remain until Turkey succeeded in its transitional stage of industrialization.

In the 1960s, Turkish planners accepted import substitution as the most suitable strategy for industrialization. This choice was based on the assumption that the trade deficit between Turkish imports and exports would continue until the end of the first two plan period between 1963 and 1972. Imports, especially capital goods imports, were assumed to grow with industrial growth. But, it was hoped that the import substitution strategy would limit the trade deficit. Exports, consisting mainly of traditional agricultural goods, would grow very slowly, while industrial exports would emerge only with great difficulty. Pessimism over exports was based on the limited world demand for Turkish agricultural goods. Therefore, economic plans of the period did not develop programs for agricultural growth; nor did they discuss how to provide capital input from agriculture to industry (Kepenek, 1984: 159).

Having thus acknowledged the continuation of large gaps in the balance of payments (a process which had begun in 1954), Turkish planners relied on the continued flow of foreign capital to fill the trade gap, to be provided by official lending agencies or by governments. With the Ankara Agreement, the ECC committed itself to providing Turkey with financial aid via the European Investment Bank (EIB). This assistance was for the transition of Turkey's economy within the preparatory stage of its membership. The Ankara Agreement had envisaged a preparatory period of not more than eleven years for the transition of Turkey's economy. Between 1964 and 1969 Turkey obtained 175 million EUC to be used for financing project investment. In 1970 the EEC agreed to provide Turkey with another credit amounting to 220 million EUC for the period between 1973 and 1976 (Karluk, 1990: 248-251).

The majority of EEC aid was allocated to the financing of public sector investments in intermediary and capital goods production, including energy related investments. The 145 million EUC of the first EEC aid was for the public sector and the remaining 30 million was to be used by the private sector. For the 1970 aid agreement, 175 million of EEC aid was allocated for public sector investment, 20 million was for private sector (Karluk, 1990: 248-251).

In addition to the foreign exchange to be attained in the form of loans, the other instrument of Turkey's import substituting strategy was the trade and payment regime. The total protection of domestic
industry from international competition was the other instrument designed to achieve the goal of industrial 
growth. Planners hoped that the import substitution strategy for intermediate and capital goods production 
would produce in time a balanced trade regime which eventually would result in the reduction of foreign 
financing.

Such a project of integration within the EEC raises tensions in policy alternatives between 
protectionism and openness. Given the fact that the purpose of the EEC was to increase the volume of 
intrar-European trading via tariff cuts within a framework of free internal trade and common external tariffs, 
the continuation of a type of trading regime, as planned by the SPO, seems to be impossible to maintain. 
Integration with the EEC requires policy changes that could bring about the shift away from the protective 
policies of an import substitution strategy. The period between 1964 and 1979 in Turkey was marked by 
such tension between protectionism and openness.

In the field of trade, Turkey’s place within the EEC framework of free internal trade was 
characterized by two conflicting policy alternatives between uniformity of treatment and preferential 
treatment. The EEC countries applied reduced custom duties to a number of commodities they imported 
from Turkey within the limits of a quota system (Karluk, 1990: 213; Featherstone, 1989: 188). Agricultural 
concessions were limited, however. The tariffs did not disappear completely, and the system and levels of 
minimum prices under the CAP served as effective restraints (Karluk, 1990: 234-238). Therefore, there 
was not much improvement in Turkey’s agricultural exports to the EEC as compared to the rate of increase 
in total exports. Between 1963 and 1969, exports to the EEC increased on average by 9 per cent. During 
the same period, the rate of increase in total exports was 7.6 per cent (Karluk, 1990: 213). On the other 
hand, during the preparatory stage, the rate of increase in Turkey’s imports was higher than its exports. The 
share of the EEC in Turkey’s imports as compared to its total imports was much higher (in 1963 29 per 
cent and in 1972 42 per cent) (Karluk, 1990: 214).

With the Brussels Supplementary Protocol of 1970, Turkey was put under persistent pressure to 
raise exports to the EC market to finance imports, and, at the same time, to liberalize its trade regime. 
Because it was only an associate member, however, Turkey’s chances of increasing exports to the EC 
market were very limited. The CAP and the free movement of agricultural products among member states
within the EEC had entailed the diversion of imports away from third countries to full members. Turkey’s export share within the EC market was small whereas 90 per cent of EEC agricultural imports came from countries which were not associate members (Kazgan, 1976: 327).

In the case of cotton exports, for example, the share of the EC had gradually but persistently declined from 54.5 per cent in 1963 to less than a quarter in 1973 (Kazgan 1976: 331-332). This might be a result of the import substitution of cotton yarn in Turkey. At the same time, with the exception of 1968, cotton yarn exports to the EEC were nil (Koymen, 1974: 71). The reason for a decline in both cotton and cotton yarn exports could be explained by Turkey’s agricultural productive capacity which did not allow simultaneous expansion in both areas. Nevertheless, the decline was largely due to import restrictions, in the form of customs duties, imposed by the EEC in 1971 on Turkish industrial exports of cotton, cotton yarn and cotton textile products (Karluk, 1990: 215; Kazgan, 1976: 331-332).

The EC had imposed restrictions on cotton imports and cotton manufactured products in order to protect the clothing and textile production of member states. This contradicted the promises of free entry to the EEC market, and all the third countries of the Mediterranean suffered from EEC restrictions on imports of textiles and clothing.

In agricultural trade the strongest clash of interests existed between the countries of the Mediterranean whose exports most closely resembled those of Spain, Portugal and Greece (Pomfret, 1986: 99). Easier access for Spanish and Greek exports provided the EEC with an opportunity to substitute Turkey’s traditional export items. There were still former colonial ties, such as Algeria and Morocco of the franc zone (Featherstone, 1989). Another important export crop for Turkey, hazelnuts, provides an additional example. Hazelnut exports to the EC expanded over its total exports. It enjoyed the rate of reduction to 2.5 per cent of the common tariff (of the order of 4 per cent) within the limits of quotas. However, between 1963 and 1973, the share of hazelnut exports to the EC, as compared to its total exports, had increased only about 1 per cent from 57.7 per cent in 1963 to 58.9 per cent in 1973. Raisin and dried fig exports to EEC also shows similar results. The EC share of Turkish raisin exports had increased from 40 per cent in 1963 to 47.2 per cent in 1973; while dried figs declined from 60.1 per cent to 58.3 per cent for the same period (Kazgan, 1976: 331). Turkey’s olive oil, fresh fruit and vegetables, and citrus fruit
exports were subject to similar EC substitution from other Mediterranean exports. Turkey’s share in the EC’s import of citrus fruit, for example, had been persistently in decline between 1963 and 1973 despite a 4.5 per cent increase in total exports of that item (Kazgan, 1976: 340-341).

Turkey’s problems with the EEC’s discriminatory tariff practices went beyond the violation of the free trade principle of the Ankara Agreement. The trade concessions granted to Turkey by the EEC consisted of numerous products which Turkey either did not produce or was already importing. Turkey was granted a 100 per cent reduction on import restrictions on such items (of mostly African-Mediterranean produce) as dates, Indian nuts, Caju nuts, wild animal meat, avocados, Brazil nuts, and cocoa (Kazgan, 1976: 345-346). These were importable items not produced by Turkey. This ironic situation could be because both African-Mediterranean former colonies of Europe, and Italy, as a full member, and Greece, Spain and Portugal, then close candidates to full membership, were all either producers or exporters of many of such items.

Except for tobacco and tea, Turkey’s exports to the EEC had met obstacles stemming both from the discriminatory tariff practices of the EC and the extension of concessions to an increasing number of third countries from former European colonies of the Mediterranean. The consequence of this trade regime imposed on Turkey was that exportable agricultural commodities were dumped in the domestic market at low prices. The result was that processing industries suffered from under capacity, while import substituting industries were provided little foreign exchange from agricultural exports. Between 1961 and 1975, exports to the EEC rose just over 3 times whereas imports increased 8.4 times. As a result, Turkey’s trade deficit with the EEC increased 21 times (Aktan, 1976: 411). Consequently, the foreign trade deficit increased from 147.5 million dollars in 1960 to 3,338 million dollars in 1975 (Hatipoglu, 1978: 114).

So far we have seen Turkey’s great dependence on agricultural export revenues and foreign credits to run the economy. To a great extent Turkey’s closer relations with the EEC, came about as a result of deteriorating Turkish-American relations. Now I will look at the impact of such a trading regime on agriculture and industry.

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21The rate of increase in total Turkish exports was 4 times between the years 1961 and 1975 while imports rose by 9.3 times. The trade deficit rose about 21 times (Aktan, 1976: 411).
10.4. Agriculture

Despite the fact that agriculture remained the least planned sector of the economy, agriculture continued to undergo a massive transformation. Throughout the 1960s and 1970s, agricultural production continued to expand, with varying increases in production rates for different crops. There were two fundamental targets: 1- to reach self-sufficiency in the food production; and 2- increase production of export items.

Among the crops designated for import substitution were wheat, sugar beet and sunflower. During the 1960s and 1970s, these crops registered the largest increases both in the expansion of area under cultivation and yield. The area under wheat production, for example increases by 22 per cent, compared to a total increase of 6 per cent in area under cereal cultivation. The area for sugar beets rose by some 80 per cent while the total rate of increase for all industrial crops was 6 per cent. The area for sunflower increased over 200 per cent. These increases for area under cultivation were accompanied, for the same time period, by large increases in yields of wheat, 83 per cent, 57 per cent in sugar beet and 45 per cent in sunflower (World Bank, 1982: 288). The rate of growth was impressive. Throughout the 1960s and 1970s, the production of sugar beets grew 10 fold and wheat about 5 fold (SIS, various years). As a result, Turkey became self sufficient in food production.

The production of export items, such as citrus fruits and vegetables, also increased. In 1975 the increase over the 1955 level was 5.8 times for fruit, 5.1 times for citrus fruit, and 3.6 times for stone fruits. Areas under fruit and vegetable production also showed a rapid increase: from 1666 thousand hectares in 1952 to 2305 thousand hectares in 1965 and 3879 thousand hectares in 1975 - showing an increase in area of 38 per cent between 1952-1965 and 133 per cent between 1952-1975 (SIS, 1975).

As compared to the 1950s which saw production increases due to expansion of area under cultivation, the growth in agricultural production during the 1960s and 1970s was achieved by increases in yield. A number of measures were included in the plans; the introduction of improved methods of cultivation, extension of the area under irrigation, increased use of chemical fertilizers, improved pest and disease control, and the development of an efficient marketing system. In 1973, 57.8 per cent of families used insecticides, 1/3 of the total irrigable land was irrigated, and 85 per cent of farmers used a
combination of industrial inputs in their production (Kepenek, 1984). During the 1960s and 1970s, the number of tractors also increased by more than tenfold, reaching a ratio of one tractor per 37 hectare. As a result, the capital-output ratio in agriculture rose from 1.9 per cent in 1966-1968 to 2.3 per cent in 1968-1972, and to 4.0 per cent in 1973-1978 (World Bank, 1982: 29).

Despite the fact that the possibility of increasing agricultural exports was limited within the context of Turkish-EEC economic relations, the governments of Turkey continued to support agriculture. Thus the price-support regime which had been initiated by the Menderes regime during the 1950s was consolidated during the 1960s and 1970s by various governments. For example, the rate of increase in government credits to agriculture rose from 10.74 per cent in 1963 to 62.16 per cent in 1975 (Kepenek, 1984: 243). By 1977 the value of support extended to farmers was equivalent to 22 per cent of that year’s total agricultural output (Keyder, 1987: 158). And, subsidies for fertilizers amounted to between 60 and 80 per cent of product cost in 1979 (World Bank, 1982: 302). As a result, in contrast to external trade, the terms of internal trade improved continuously in favour of agriculture during the 1960s and 1970s. The improvement was between 20 per cent and 45 per cent between 1960 and 1977 (Varlier, 1978; Keyder, 1987: 157).

The governments had supported agriculture by continually increasing government purchase prices. In the case of wheat, for example, government purchase prices had increased from 4.5 per cent in 1972 to 34.6 per cent in 1977 while it remained the same for the period between 1965 and 1967. Cotton prices went up from 7.9 per cent increase rate in 1967 to 14.4 per cent in 1972, and 19.8 per cent in 1977 (Kepenek, 1984: 254, Table: XI.9).

The peasantry retained the strongest structural position for the process of bargaining which emerged during the 1950s. Successive governments refrained from imposing any direct taxes on agriculture, neither on property nor income. The result was that the governments of varying political inclinations had to respond to the large number of small producing family farmers by subsidizing agricultural inputs and by increasing support prices for most crops.

The rapid expansion of commercial activity in agriculture did not result in a process of polarization among rural producers. In fact, this period consolidated simple commodity production and small peasant
ownership in the Turkish agriculture.

The small producing peasantry maintained its bargaining power throughout the period between 1960 and 1979. The high level of rural-urban migration of the period was not a result of the rural push factor. That is, as was the case during the 1950s, throughout the 1960s and 1970s peasants migrating to urban areas were not pushed out of rural areas because of landlessness and poverty. But, it was state policy to encourage migration both to constitute an internal market in urban areas and to provide cheap labour for industry. In other words, the peasantry constituted an important consuming segment of the domestic market and a labour for the industrial sector. They were important consumers of textiles, clothing, processed food, and fertilizers, and also represented a significant market for domestically produced consumer durables, such as TVs, cars, and tractors.

10.5. Industry

Under state planning between 1963 and 1977, Turkey achieved rapid economic growth - its GNP grew at 6.2% a year on average. The highest rate of growth, which exceeded plan targets, was 7.4% per annum between 1970 and 1976 (SPO. Fourth Development Plan). The growth rates envisaged for industry were 12.3 per cent for the first development plan period, 12.3 for the second, and 11.2 for the third (Kepenek, 1984: 268). The realized growth rates were 10.9 for the first, 8.7 for the second, and 9.9 for the third plan period. As a result, the share of industry in the GNP rose from 16.8 per cent in 1963 to 22.7 per cent in 1972 and to 23.7 per cent in 1977.

The cornerstone of the development strategy was to transform the productive structure from consumer- goods producing industries to investment and intermediary goods producing ones. Between 1962 and 1977 the share of consumer goods production in total industrial production declined from 62.3 per cent in 1962 to 52.9 per cent in 1967, 53.2 per cent in 1972, and 49.0 per cent in 1977. The share of intermediate goods production increased from 27.8 per cent in 1962 to 35.4 per cent in 1967, 33.9 per cent in 1972 and 37.7 per cent in 1977. The share of capital goods in total industrial production rose from 9.9 per cent in 1962 to 11.7 per cent in 1967, 12.9 per cent in 1972, and 13.3 per cent in 1977. (SPO. Third Plan: 13).
All three development plans placed an overriding emphasis on industrial growth. The reason why industrial growth was seen as the condition for economic development resulted from the political choice Turkey made in regard to the question of EEC membership. All these plans required a structural transformation of existing industry, which was then composed of small size firms producing consumer goods. This involved the build-up of large powerful industries producing capital goods and intermediate products, with backward and forward linkage effects. It was thought that such efforts would reduce Turkey’s dependence on foreign borrowing.

The EEC integration approach, as determined by the Ankara Agreement of 1964 and the Brussels Supplementary Protocol of 1970, saw industrialization as a controlled process involving gradual reductions in the protection of domestic industry. Tariff reductions were to take place according to two time-tables: a 12 year time frame for certain goods, and a 22 year time frame for other goods. All the reductions would start in 1973 with the application of the Brussels Protocol. The pattern of liberalization, as established in the Brussels Protocol, took the value of industrial production which was actually produced in 1968. Thus, 65 per cent of the value of industrial production in 1968 was to be liberalized within the 22 year protection period while only 35 per cent would be liberalized within the 12 year period. The 69 per cent of the value of consumer goods production was subject to 22 years protection while 31 per cent was protected for only 12 years. For intermediate goods, the proportions were 58 per cent and 42 per cent, and in capital goods 63 per cent and 37 per cent respectively (Okyar, 1976: 38).

This suggests that there were two strategies concerning industrialization: the five year development plan and the industrialization strategy of integration with EEC. Both of these constituted the official industrialization strategy of Turkey. Yet the issue remained during the entire period of whether they were compatible with each other or whether they represented irreconcilable alternatives between which a choice would have to be made. It is necessary at this point to emphasize that the intentions of these two strategies were in conflict with each other.

The development plans emphasized a self-contained and self-sufficient national economy. They were directed towards realizing a self-contained system among consumer, intermediate and capital goods production. This was seen as a vital prerequisite for joining the EEC as a full member. This approach saw
integration within EEC as a customs union in terms of exchange of commodities (that is, trade).

On the other hand, the EEC integration strategy emphasized a continued liberation in the movement of factors of production, such as labour and capital, toward a transnational economic integration. As to the three types of manufactured goods (consumer, intermediary and capital goods), the outcome would emerge as a result of the profitability of market conditions, depending on the competitiveness of the type of industrial production in Turkey. Economic criteria and cost considerations would determine the future course of both private and public sector investment.

In the course of applying the requirements of the Brussels Supplementary Protocol of 1970, Turkey reduced tariffs\(^{22}\) on imports after 1970. Thus, the average rate of import tax which rose from 42 per cent in 1962 to 73 per cent in 1968 was reduced first to 55 per cent in 1970 and then 40 per cent in 1973. The rate of tariff was at its lowest in 1974 (about 30 per cent) (Korum, 1976: 192).

In 1976, however, with the unilateral decision taken by the Turkish government, tariff reductions had been stopped and Turkish-EEC relations were frozen until after 1987 when Turkey applied for full membership (Karluk, 1990: 217). This decision resulted from the government’s view that the EEC integration approach was incompatible with Turkey’s development plans. The incompatibility was judged in relation to the deteriorating export purchasing power of Turkey. Export purchasing power declined from 6.3 per cent between 1960 and 1970 to 2.3 per cent between 1970 and 1977 (World Bank, 1980: 46). During the period from 1976 to 1978, after freezing relations with the EEC, primary emphasis was placed on heavy industrialization under the guidance of the development plans.

Behind the government decision to freeze relations with the EEC were structural weaknesses derived from the difficulty of financing imports for the growth of industry. Export purchasing power was lowest during the last part of the second and the entire third plan period of 1970-1977. In this context, certain problems relating to the industrialization project came to light. The problem of export market size, import restrictions imposed by the EEC and the EEC’s substitution of Turkish agricultural exports have already been mentioned. At the same time, I have also noted that the choice of an import substitution

\(^{22}\) The tariff figures include custom tax, petroleum customs duty, stamp duty on imports, production tax on imports, work duty, petroleum stabilization fund, municipal share out of customs duty.
strategy in Turkey was based on the assumption that large gaps between imports and exports would continue. Imports, especially capital goods imports, were assumed to grow in the course of implementing the planned industrialization strategy. Why was there such a concern on the part of the government about the negative impact of the association with the EEC on the industrialization strategies by reference to export purchasing power, or trade deficits?

The economic recession in Europe during the 1970s, which came as a result of the oil price shock and the collapse of the Bretton Woods monetary system, lies at the heart of the question. The recession in Europe ended the Turkish export of labour and the inflow of workers’ remittances. Labour exports had occupied a strategic position in Turkey between 1971 and 1974 in building up foreign exchange resources and, thus, helping implement the planned industrialization strategies. Its coming to an abrupt end in 1974 compromised national economic stability in Turkey. The fall in remittances from workers abroad (remittances fell from $1.4 billion in 1974 to $982 million in 1977) and the termination of labour migration to Europe created a labour surplus in Turkey. Turkey’s external financing position entered into a crisis after the fall of remittances. This, in turn, placed an enormous burden on the government, which was unable to enough create jobs to absorb the unemployed urban masses who would otherwise have been exported to Europe.

10.6. Labour Export to European Community Countries

From the formation of the EEC to the mid-1970s, fairly substantial flows of migrant labour from less industrialized parts of Europe and the Mediterranean were an important feature of most European economies. The migratory movements from the Mediterranean were a result of the policy pursued by the host countries of satisfying a high demand for labour, which was accompanied by a very high economic growth rate. In 1970 the vacancy figures in labour markets reached close to 800,000 in Germany (OECD, Main Economic Indicators). The shortage of labour was compensated for by migrant workers. In 1974 the proportion of migrant workers to the total labour force was 10.3 per cent in Germany (most of whom was Turkish), while it was 10.8 per cent in France (EUROSTAT, 1984: 168, 169). With the participation of migrant labour, European economies in general and Germany in particular achieved strong economic
growth rates, restructured their economies toward mass consumption, increased their exporting capacity and accumulated capital at a faster rate than the U.S. (Boyer, 1988; Armstrong et al., 1991).

The situation of rapid postwar economic growth and full employment in Europe had led to the emergence of labour shortages, particularly in low level jobs with little or no prestige attached to them. The question is why Europe chose to deal with labour shortages through migration while Japan started to export capital when it faced a similar situation. The immediate labour shortage problem of European capitalists was solved by recruiting labour on a temporary basis. Importing cheap migrant labour was one of a number of responses to the growing labour shortages in individual European firms. The labour demand was satisfied in terms of former colonial and historical ties with North African, Southern European and other Mediterranean countries. France, for example, encouraged migration from its North African colonies, namely Algeria and Tunisia. Germany pursued a systematic policy of recruiting labour from Southern European and other Mediterranean countries (such as Turkey) after the Berlin Wall shut off the continuing supply of labour from East Germany in 1961 (Krane, 1979: 12).

Labour migration to Europe was not a new phenomenon. What was unique was the magnitude and geographical scope of the phenomenon as it developed during the 1960s and early 1970s. At least 15 million workers and their families were directly involved in the migration movement from southern Europe and the Mediterranean. Previously, it was not customary for a country to import such large numbers of foreign workers on a temporary but systematic basis. The European policy was to import labour temporarily for a specific time period with the understanding that migrant workers would return to their country of origin after this time period had lapsed. The migrants were mostly young male workers who were discouraged from bringing non-working dependants. In other words, according to Paine (1974), the host countries were importing labour-hours, not families. In West Germany, their status was defined as that of guestworker.

European access to migrant labour had a positive impact on the rate of economic growth. It also had a counter-inflationary effect of keeping wages and prices down in the stimulation of exports (Paine, 1974: 12-23). This was particularly the case since labour was recruited on a temporary basis which required neither social infra-structural investment for migrants nor encouraged the migrants to spend their
repatriated earnings on host country products. At the same time, during recessions migrant labour could be sent back to their country of origin rather than being kept by their firm of employment or paid unemployment benefits by the state.

The other side of the question is why the labour exporting countries chose to cooperate. Increasing unemployment and low living standards produced significant number of potential migrants in what were referred to as labour exporting countries of the Mediterranean - Italy, Spain, Portugal, Yugoslavia, Greece and Turkey (Krane, 1979: 146-220). In the case of Turkey, the government was willing to send workers because migration would reduce unemployment and increase foreign exchange earnings (Gitmez, 1979; Paine, 1974). Turkey was a late starter in exporting labour compared to Italy or Greece. Its exporting of labour coincided with the beginning of planned development in 1963. In the face of increasing unemployment (in 1972 the unemployment rate reached 13.3 per cent of an economically active population of 15 million), exporting labour on a temporarily recruited basis was an attractive policy to the government, especially when it discovered the benefits from the inflow of savings and remittances from exported labour.

The first development plan had seen migration as a function of the industrial growth rate. It envisaged that industrial employment would expand by 7 per cent, total non-agricultural sector employment by 8 per cent, and total employment by 3 per cent annually (Paine, 1974: 33). This policy of increasing urban employment was closely tied to a high wage policy. The constitution of 1961 had granted workers the right to unionize, strike and collective bargaining, which allowed workers to bargain for their wages through constitutionally specified channels. As a result of utilizing these channels. Between 1963 and 1971 real wages in the organized sector of large import substituting industries rose by 5 to 7 per cent annually. Thus, high wages in the large import substituting industries was a factor, attracting the peasantry to urban employment. However, the actual increase in employment during the first five year development plan amounted to only 58 per cent of the target (Paine, 1974: 33). That means that the creation of employment opportunities in the non-agricultural urban sector was not as high as predicted by the plan. The second development plan continued with the previous policy of matching industrial growth with employment. Industrial employment was planned to increase by 9 per cent annually, total non-agricultural
employment by 7 per cent and total employment by 3 per cent. However, between 1967 and 1972
industrial employment increased by an annual rate of 5 per cent and employment in construction by 3 per
cent. The situation was saved by exporting labour to Europe and expansion in the marginal urban sector.

The lower growth rate of employment opportunities was due to several factors: first, agricultural
mechanization tended to reduce labour requirements in agriculture and thus release labour from the
countryside; second, a high wage policy in organized import substituting industries of SEEs attracted more
labour from agriculture; third, use of capital intensive rather than labour intensive technologies in industry,
accompanied by various state policies which tended to cheapen the relative price of capital (e.g.
maintaining an overvalued exchange rate to keep the price of capital imports down, subsidizing loans used
to purchase machinery, etc.); another state policy which tended to raise wages was related to high
agricultural purchase prices which led to higher prices for foodstuffs. For example, the Demirel
government, from the time it came to power in 1965 all the way through the 1970s, continued to secure its
rural political base by periodically increasing cereal support prices, although this had a direct impact on
industrial wages in urban areas. All these policies resulted in huge budget deficits to finance the investment
plans of SEEs, as well as a deteriorating unemployment situation.

German economic growth, like that of other EEC countries, absorbed nearly 100,000 Turkish
workers a year by the early 1970s, which helped to ease the unemployment problem in Turkey. Worker
migration was beneficial for the continuation of the import substituting industrialization strategy of Turkey
on two grounds: First, it transmitted European economic growth to Turkey through workers’ remittances.
Migrant workers began to send large amounts of foreign exchange which enabled Turkey to import capital
goods and raw materials for its industry without entering into a debt crisis. By the early 1970s, remittances
from Turkish workers in Europe added 1 per cent to the annual growth of the GNP (Paine, 1974). Worker
migration postponed the debt crisis through workers’ remittances. Second, the migration of workers also

---

23 Turkish migration to Europe was sponsored by the government as a measure to export excessive labour both
from urban and rural areas of Turkey. In 1962, 53 per cent of the Turkish migrants in Germany came from Thrace and
Istanbul. During the period between 1971 and 1973, the share of migrants from urban centers fell to 27 per cent in
1971, and 21 per cent in 1973. In 1973 the proportion of migrants from Northern Anatolia rose to 41 per cent. Eastern
and Southern Anatolia sent no migrants at the beginning, in 1973 each region sent 8 per cent (Abadan Unat, 1993:
202).
exported social problems, thus easing domestic political tension resulting from increasing unemployment rates. The result of worker migration was that Turkey's unemployment figures remained more modest than they would have otherwise. The increase in employment abroad was slightly more than one third of the increase in domestic non-agricultural employment. This was about the same as the number of jobs created by Turkey's industrial sector (Paine, 1974; Kazgan, 1994; Aksoy, 1980: 418-420; Mumcuoglu, 1980: 383; Keyder, 1987: 175; TUSIAD, 1982).

Economic growth in European economies continued up until 1973. The years 1973 and 1974 marked a major turning point in the evolution of postwar migration in Europe. While prior to 1973 the primary focus was upon satisfying demands for labour power in the labour importing countries, after 1973 it was directed to encouraging return migration to labour exporting countries (Gitmez, 1979). Beginning in 1973 and continuing during 1974, labour importing countries imposed freezes on further recruitment of foreign labour (Krane, 1979). The shift was brought about by the energy crisis of 1973 and the economic recession that followed. By 1974 EEC countries terminated the further recruitment of foreign workers, and began to export capital.

The recession was due to high inflation rates resulting from both oil price increases and a shift in the international monetary system from the fixed exchange rates of the Bretton Woods Monetary system to a fluctuating one (Block, 1977; van der Pijl, 1984; Friedmann, 1991). Recession directly affected the capacity to absorb migrant labour. Between 1974 and 1975 the number of foreign workers employed in industry fell by more than 20 per cent (Leithauser, 1988: 179). In the same period Turkish labour migration to Europe came to an end. With labour migration coming to an end, the number of unemployed increased dramatically between 1974 and 1978. The increase was over threefold for those looking for a job - from 44,000 to over 150,000 (ILO). The figure represents about 50 per cent according to the estimates of the Ministry of Labour, from under a million to about 1.5 million. It was hoped that the increasing number of potential migrants would be absorbed by the import substituting industries, mostly in the SEEs. However, a reduction in the prospects of labour migration together with the slowdown in domestic economic activity intensified the problem of unemployment.

A decline in Western European demand for migrant labour during the mid-1970s resulted in a drop

Table 4. Exports, Imports, Trade Balance, and Worker Remittances (Smillions)

<table>
<thead>
<tr>
<th></th>
<th>Exports</th>
<th>Manufacturing Exports</th>
<th>Imports</th>
<th>Trade Balance</th>
<th>Exports/Imports (%)</th>
<th>Worker Remittances</th>
<th>Overall Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963</td>
<td>368</td>
<td>65</td>
<td>688</td>
<td>-320</td>
<td>53.5</td>
<td>-</td>
<td>-30</td>
</tr>
<tr>
<td>1964</td>
<td>411</td>
<td>76</td>
<td>537</td>
<td>-126</td>
<td>76.5</td>
<td>9</td>
<td>40</td>
</tr>
<tr>
<td>1965</td>
<td>464</td>
<td>82</td>
<td>572</td>
<td>-108</td>
<td>81.2</td>
<td>70</td>
<td>82</td>
</tr>
<tr>
<td>1966</td>
<td>490</td>
<td>79</td>
<td>718</td>
<td>-228</td>
<td>68.2</td>
<td>115</td>
<td>8</td>
</tr>
<tr>
<td>1967</td>
<td>523</td>
<td>75</td>
<td>685</td>
<td>-162</td>
<td>76.4</td>
<td>93</td>
<td>55</td>
</tr>
<tr>
<td>1968</td>
<td>496</td>
<td>66</td>
<td>764</td>
<td>-268</td>
<td>64.9</td>
<td>107</td>
<td>-16</td>
</tr>
<tr>
<td>1969</td>
<td>537</td>
<td>99</td>
<td>801</td>
<td>-264</td>
<td>67.0</td>
<td>141</td>
<td>28</td>
</tr>
<tr>
<td>1970</td>
<td>588</td>
<td>109</td>
<td>948</td>
<td>-360</td>
<td>62.0</td>
<td>273</td>
<td>144</td>
</tr>
<tr>
<td>1971</td>
<td>677</td>
<td>149</td>
<td>1171</td>
<td>-494</td>
<td>57.8</td>
<td>471</td>
<td>223</td>
</tr>
<tr>
<td>1972</td>
<td>885</td>
<td>243</td>
<td>1563</td>
<td>-678</td>
<td>56.6</td>
<td>740</td>
<td>267</td>
</tr>
<tr>
<td>1973</td>
<td>1313</td>
<td>443</td>
<td>2086</td>
<td>-769</td>
<td>63.1</td>
<td>1133</td>
<td>917</td>
</tr>
<tr>
<td>1974</td>
<td>1532</td>
<td>600</td>
<td>3777</td>
<td>-2245</td>
<td>40.6</td>
<td>1462</td>
<td>-461</td>
</tr>
<tr>
<td>1975</td>
<td>1401</td>
<td>503</td>
<td>4730</td>
<td>-3329</td>
<td>29.6</td>
<td>1312</td>
<td>-1301</td>
</tr>
<tr>
<td>1976</td>
<td>1960</td>
<td>596</td>
<td>5129</td>
<td>-3169</td>
<td>38.2</td>
<td>982</td>
<td>-1766</td>
</tr>
<tr>
<td>1977</td>
<td>1753</td>
<td>586</td>
<td>5797</td>
<td>-4044</td>
<td>30.2</td>
<td>982</td>
<td>-1908</td>
</tr>
<tr>
<td>1978</td>
<td>2288</td>
<td>621</td>
<td>4599</td>
<td>-2311</td>
<td>49.7</td>
<td>983</td>
<td>-388</td>
</tr>
</tbody>
</table>


A deteriorating trade balance and declining worker remittances pushed Turkey into a foreign exchange crisis between 1975 and 1979. The result was a decline in job creation and rising unemployment. In 1978 then Prime Minister Demirel announced that the Central Bank's disposable cash reserves for financing all imports needed by industry amounted to only $30 million, or just enough for two days (Colasan, 1983: 25-27).

Given the considerable decline in its capacity for financing industry, Turkey experienced a dramatic slowdown in job creation. The issue of job creation became a crucial problem as workers' migration came to an end in the mid-1970s and as an increasing number of unexportable labourers joined the informal sector of the economy. The government response, irrespective of political persuasion, was to increase investment and employment to a level that would absorb what would have been potential migrants.
With declining remittances and a trade deficit, this was maintained first through a drain on foreign exchange reserves and later from borrowing in the short term credit market.

10.7. State-Led Industrialization

As previously noted, the government strategy was to create jobs in the public sector of industry through SEEs\textsuperscript{24}. A considerable portion of the investments were undertaken by SEEs (Walstedt, 1980; Szyliowicz, 1991). This occurred in spite of their permanent trade deficits (Krueger and Tuncer, 1980). Within three years, for example, the consolidated loss of the SEEs increased nearly thirteensfold, from T.L. 4.4 billion in 1975 to T.L. 53.5 billion in 1978. These losses accounted for 4.4 per cent of the GDP (World Bank, 1980: 65). Meanwhile they were protected from international competition by protective tariffs and an overvalued Turkish lira. The exchange rate policy of successive governments was designed to encourage industrial growth by keeping the cost of imports low. Throughout the period, the value of the Turkish Lira was sustained at a level much higher than its international value. An overvalued exchange rate protected industrialists from the cost increase of foreign inputs and, thus, favoured import substituting industries.

The foreign exchange losses of these enterprises demanded surpluses from elsewhere in the economy, mostly from budgetary sources of the Central Bank. The Central Bank credit distribution system, particularly from 1976 onward was clearly in favour of SEEs and discriminated against the private sector (Kepenek, 1984: 182). This situation, however, caused a large increase in money supply which, in turn, gave way to a record high inflation rate in Turkey. Inflation rose from 10.1 per cent in 1975 to 85 per cent in 1979 (U.S. Congress. 1980: 33).

\textsuperscript{24} Eight enterprises established under Law 440 account for almost all economic activity of state enterprises in manufacturing. These are the Turkish Sugar Corporation (TSF), Sumerbank, which produces largely textiles, the Pulp and Paper Corporation (SEKA), the Petrochemical Corporation (Petkim), the Nitrogen Industry Corporation (Azot), the Turkish Cement Corporation (TCS), the Turkish Iron and Steel Corporation and the Machinery and Chemicals Corporation (MKEK). Most of these corporation operate under the Ministry of Industry and Technology (World Bank, 1982: 248). These eight state manufacturing enterprises accounted for almost all state investment and production in manufacturing.
Table: 5. Rate of Increase in the Distribution of Central Bank Credits (T.L. Million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Sector</td>
<td>16.19</td>
<td>3.80</td>
<td>65.35</td>
<td>67.62</td>
<td>74.64</td>
<td>83.89</td>
<td>29.18</td>
</tr>
<tr>
<td>Private sector</td>
<td>30.16</td>
<td>134.32</td>
<td>63.20</td>
<td>20.07</td>
<td>57.01</td>
<td>51.04</td>
<td>24.16</td>
</tr>
<tr>
<td>Total</td>
<td>20.03</td>
<td>42.75</td>
<td>64.29</td>
<td>44.49</td>
<td>67.10</td>
<td>71.49</td>
<td>27.51</td>
</tr>
</tbody>
</table>

Source: Kepenek, 1984: 182

However, government efforts toward creating jobs were short lived. Investment in SEEs was increasingly less effective in creating jobs for the urban unemployed. The unemployment problem was also compounded by a substantial decline in private sector manufacturing investments.

Table: 6. Average Annual Increase in Total Fixed Investment (%)

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Public</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>10.4  -21.7</td>
<td>8.4  -17.2</td>
<td>12.9  -25.6</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>10.8  -2.4</td>
<td>17.7  4.7</td>
<td>7.5  -10.2</td>
</tr>
<tr>
<td>Energy</td>
<td>12.8  9.1</td>
<td>13.5  9.1</td>
<td>2.4  6.7</td>
</tr>
<tr>
<td>Transportation</td>
<td>12.5  -16.8</td>
<td>10.4  -14.8</td>
<td>20.3  -20.0</td>
</tr>
<tr>
<td>Housing</td>
<td>7.1  8.5</td>
<td>8.2  -6.6</td>
<td>7.0  9.6</td>
</tr>
<tr>
<td>Total</td>
<td>10.2  -5.2</td>
<td>11.1  -4.5</td>
<td>9.3  -6.0</td>
</tr>
</tbody>
</table>


As indicated in the above table, private sector investment in manufacturing declined by a rate of 10.2 per cent between 1979 and 1980. Public sector investment also fell from 17.7 per cent in the 1963-77 period to 4.7 per cent. With the decline in investment, unemployment rates increased dramatically. By the end of the 1970s the unemployment rate was close to 16 per cent of the economically active population (Kepenek, 1984: 374).

The employment policy, which could not be sustained by export earnings or workers remittances during the early 1970s, tried to supplement itself during the late 1970s by borrowing in the short term-credit market. That also proved to be unsustainable. The result was debt crisis.
Table: 7. External Debt (million US$)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Debt outstanding</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and disbursed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium and long-term</td>
<td>1896</td>
<td>2519</td>
<td>3336</td>
<td>4805</td>
<td>6657</td>
</tr>
<tr>
<td>Public sector</td>
<td>1854</td>
<td>2450</td>
<td>3176</td>
<td>4326</td>
<td>6100</td>
</tr>
<tr>
<td>Private sector</td>
<td>42</td>
<td>69</td>
<td>160</td>
<td>478</td>
<td>557</td>
</tr>
<tr>
<td>Short term</td>
<td>15</td>
<td>19</td>
<td>1398</td>
<td>6600</td>
<td>7469</td>
</tr>
<tr>
<td>Trade financing</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2433</td>
<td>2409</td>
</tr>
<tr>
<td>Banks</td>
<td>15</td>
<td>19</td>
<td>1011</td>
<td>2500</td>
<td>3671</td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
<td>-</td>
<td>387</td>
<td>1275</td>
<td>1589</td>
</tr>
<tr>
<td><strong>Terms of borrowing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>on loans to the public sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average interest (%)</td>
<td>3.6</td>
<td>4.4</td>
<td>7.3</td>
<td>7.6</td>
<td>6.9</td>
</tr>
<tr>
<td>Average maturity (years)</td>
<td>18.0</td>
<td>22.1</td>
<td>13.4</td>
<td>12.7</td>
<td>14.8</td>
</tr>
<tr>
<td>Grant element (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>18.3</td>
</tr>
<tr>
<td><strong>Debt service ratio</strong></td>
<td>18.8</td>
<td>13.1</td>
<td>7.0</td>
<td>20.2</td>
<td>26.7</td>
</tr>
</tbody>
</table>


In the absence of an inflow of foreign remittances and because of a growing trade deficit, foreign borrowing, especially short-term borrowing, was used by the government as an alternative source of foreign exchange for job creation. Medium and long-term debts were three times higher between 1975-1978 compared with the 1970-1975 period. Short-term borrowing, which was almost nonexistent during the early 1970s, amounted to 60 per cent of the total debt in 1977. The term structure of the medium and long-term debts also worsened during the 1972-77 period. The average maturity of these loans decreased from 22.1 years in 1972 to 12.7 years in 1977, while the average interest rate increased from 4.4 per cent to 7.6 per cent in 1977. The debt-servicing burden became untenable as Turkey was unable to repay its short-term debt. The debt-service ratio increased from 13.1 per cent in 1972 to 20.2 per cent in 1977 and reached to 26.7 per cent in 1978. The lowest rate for the debt-service ratio was in 1975 (7%). The lowest rate of debt servicing in 1975 as compared to export revenues was a clear indication that Turkey had entered into a debt crisis as early as 1975. The declining chance of repaying the debt coincided with the end of worker migration. The debt-service ratio, however, does not reflect the build up of arrears on the short-term debt.

Turkey's debt crisis was further intensified by oil price hikes. The enormous increase in oil prices in 1974 and again in 1978 increased Turkey's oil bill from $124 million in 1972 to $1.2 billion in 1977 and
to $3.86 billion by 1980\textsuperscript{25}. With increasing oil prices, the cost of all imports doubled between 1977 and 1980, while the volume of imports declined by 35 per cent. Increasing import prices triggered a 40 per cent drop in Turkey's importing capacity, contributing to a substantial decline in the job creation efforts of various governments.

Table: 8. Oil and Non-Oil Import Prices

<table>
<thead>
<tr>
<th>Year</th>
<th>Oil imports</th>
<th>Non oil imports</th>
<th>All imports</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Price</td>
<td>Volume</td>
<td>Price</td>
</tr>
<tr>
<td>1977</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>1978</td>
<td>119</td>
<td>96</td>
<td>102</td>
</tr>
<tr>
<td>1979</td>
<td>136</td>
<td>81</td>
<td>145</td>
</tr>
<tr>
<td>1980</td>
<td>156</td>
<td>85</td>
<td>249</td>
</tr>
</tbody>
</table>


10.8. Conclusion

Tension arose out of Turkey's two-fold industrialization strategy; that is between protectionism, as required by the development plans of the State Planning Organization, and greater openness as required by the association with the EEC (Eralp, 1990). During the late 1970s the government began to see the association with the EEC as a hindrance to Turkey's industrialization. After relations with the EEC were frozen in 1976, the choice was made to give priority to capital-intensive and technologically advanced industries, and a considerable portion of investments was undertaken in the public sector by State Economic Enterprises. The SEEs were subsidized with higher rates of credits from the Central Bank at very low interest rates. Meanwhile they were protected from international competition by protective tariffs and an overvalued Turkish lira.

The combination of three factors (availability of foreign credit, trade regime and labour migration) largely explains the unfolding history of Turkish-EEC relations over the planning period. The response of

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\textsuperscript{25} The oil bill which was approximately equal to $3.7 billion balance of payment deficit was largely financed by external debt (OECD, 1982: 7, 43).
Turkey’s governments to the European policy of ending labour migration was to freeze relations with the EEC. This was followed by the government decision to increase investment in import substituting industries of the public sector in order to create employment for those who were potential migrants. After the export of labour to Western Europe and the inflow of workers’ remittances came to an end, the job creation project was followed first by a drain in foreign exchange reserves and later by borrowing from the private banking sector with short-term loans.

This focus on state investment and national industry opposed the general trend in so-called LDCs. During the same period many Latin American and South East Asian countries, which are now referred to as the newly industrializing countries (NICs), shifted their economic policy from ISI to a different model emphasizing industrialization through manufactured exports under the auspices of transnational companies (EOI) (Hoogvelt, 1982; Deyo, 1987; Gordon, 1988; Marcussen and Torp, 1982; Frobel et al., 1981). Turkey resisted this economic policy shift; its primary concern during the period was to create jobs by intensifying a national industrial program.

The reason for Turkey’s resistance to an economic policy shift was that within the political and military conjuncture of détente and conflict within NATO over Cyprus, there was no mechanism in the Atlantic state system to be mobilized for the purpose of accommodating Turkey’s economic difficulties. I will examine the military-strategic aspect of economic activity in Turkey in the following chapter.
XI. TURKEY'S ISOLATION IN THE WEST: THE SEARCH FOR NEW REGIONAL ALLIANCES: THE 1970s

This chapter examines Turkey's place in the state system of the 1970s. Theoretically the most compelling issue is the extent to which Turkey moved from being a strategically primary location in the Cold War into a marginal-isolated one, both in terms of economic and political-strategic relations. The subject of this chapter is Turkey's economic and political isolation in its relationships both with the EEC and the United States at the time of detente between the U.S and the Soviet Union, and during the aftermath of the Cyprus War of 1974. The implications of this isolation were played out against the background of the changing geo-strategic balance of the Turkish economy. Exposing these relationships of isolation contributes to a fuller understanding of the dissolution of the Cold War state system, one based on the bipolar division of the political-military blocs between NATO and the Warsaw Pact.

This chapter delves into Turkey's position in the state system by analyzing the military-strategic aspects of its national industrialization policy. Within the broader political context of detente and the sanctions imposed over the Cyprus war of 1974, Turkey was not able to mobilize its geo-strategic importance in relation to the West, nor was it able to negotiate debt rescheduling or obtain long-term loans and grants from Western governments or official sources. Both the U.S. policy of detente and the diplomatic impasse which Turkey experienced with the West after the Cyprus War marginalized Turkey's role in international politics. This, in turn, adversely affected Turkey's bargaining power within the Atlantic state system. The Turkish-Greek dispute over Cyprus had a major influence on Turkey's relations with the U.S and the EC as a whole. In the context of shifting and often difficult relationships within the Atlantic alliances, Turkey experienced a diversion from economic and political relations with Europe and the U.S, and developed new relationships with the Middle East and Soviet Union. This explains how Turkey began using its strategic position to maneuver for autonomy. It also contributes to an understanding of the newly emerging regional networks of international relationships. At the end of the chapter I will be in a position to assess how Islam became important in international politics as the Cold War bloc system was dissolving - a factor which influenced both the potentiality and the limitations of Turkish policy-making. This will lead
into the argument presented in the next chapter: that the conflict between Western influences and Islamic values began to be sharpened in the domestic politics of Turkey.

11.1. National Conflicts within the Atlantic Alliance: Disputes between Turkey and Greece

Although the Cyprus conflict emerged during the second half of the 1950s and was aggravated after 1963, as Cold War conditions began to change during the late 1960s and 1970s, the NATO connection with its limitations on national sovereignty began to be questioned in both Greece and Turkey. With detente¹ between the two military blocs, both Turkey and Greece became aware that Turkish and Greek foreign and security policies could no longer be contained within the overarching NATO bloc. Relations within the NATO alliance between the U.S and member states no longer unfolded in terms of cooperation. Detente contributed to the surfacing of differences between the two countries. While their conflicting interests became apparent, the NATO alliance, which had previously kept mutual conflicts in check, grew weaker.

In that process, the United States began to find it very difficult to mediate between Turkey and Greece. The EC, especially after Greece applied for full membership in 1975, began to link the Cyprus issue to Turkey’s relations with the EEC (Gurel, 1993). Disputes with Greece over Cyprus were not merely a matter of bilateral relations, for they continued to influence Turkey’s relations with the EEC as a whole. An example would be the Greek blocking of EC Fourth Protocol financial assistance for Turkey (Balkir, 1993: 21). Turkey was thus marginalized in EEC politics. In addition, Turkey’s military intervention in Cyprus in 1974 resulted in an American economic and military embargo in 1975. Both detente and the Cyprus War made Turkey’s Cold War strategy of negotiating its geo-military importance for aid largely irrelevant. The Cold War positional advantage of Turkey vis-a-vis the West in negotiating aid was undermined. And Turkey’s ability to win a favourable response for its economic difficulties was adversely affected.

Turkey’s reaction was to freeze relations with the EEC and to develop greater independence within NATO in order to protect its national security and continue with its national economic plans. This shift in Turkey’s foreign policy was aimed at increasing Turkey’s capacity to negotiate in the shifting power balances in the state system. Turkey needed to find support for its Cyprus policy and attract much needed foreign economic aid. This policy shift therefore consisted of rapprochements with the Muslim-Arab Middle East and the Soviet Union. For example, in 1978 Turkey concluded an economic assistance agreement with the Soviet Union and received much more Soviet aid than the Soviets extended to any other “developing” country in those years. It was also during this period that Turkey began to cultivate closer relations with the Islamic world - a relationship which had already begun to develop during the late 1960s. Among other relationships with the Islamic world the one which was of the most revolutionary importance was Turkey’s participation in the Islamic Summit Conference in Rabat Morocco 22-25 September 1969 (Mumcu, 1994b).

There are several outstanding problems and conflict issues between Greece and Turkey. These include: the Greek militarization of Aegean islands which were formerly of non-military status, delimitation of the continental shelf, the question of territorial waters, issues of airspace command and control, the violation of the human rights of the Turkish minority in Greece, and above all, the issue of Cyprus (Gurel, 1993: 167-175). Since it was, and still is, the Cyprus dispute which played one of the most significant roles in Turkey’s isolation in European politics (Sezer, 1989; Gurel, 1993; Eralp, 1993 and 1991), I will continue with a discussion of the Cyprus War of 1974.

11.1.1. The Cyprus War of 1974

There were two major crises in Cyprus between 1967 and 1974 - both engineered by the Greek junta government. The constitutional crisis, which died down in 1964, flared up again in 1967 when the newly formed military junta in Greece encouraged Greek nationalists in Cyprus to step up the agitation for the union of Cyprus with mainland Greece (this was known as the enosis movement). During this period, differences between Greece and the Greek-Cypriot administration of Makarios grew. The Greek military force stationed in Cyprus became an important instrument of subversive activities to overthrow President
Makarios. The political players of these activities were the pro-junta political party EOKA and its leader Grivas who was also the commander of the Greek Cypriot national Guard (Adams and Conttrell, 1968). In the face of American pressure on the junta government and Soviet support of the Turkish government, the Greek junta backed down and the crisis was defused. The junta government accepted both the withdrawal of Greek troops from Cyprus and the dismantling of the Greek Cypriot national guard which was unconstitutionally founded by Grivas (Bolukbasi, 1988: 140-149). It should be noted, however, that this dismantling did not come about.

Although the crisis was defused, it became clear to the Turkish government that Greece was unwilling to go to war with Turkey over Cyprus, and that the Soviet Union was supporting Turkey. The first indication of Soviet support for Turkey over Cyprus came from the TASS commentary of July 5, 1967. TASS commented that

"It is an open secret that the reactionary circles of Greece, supported by the United States and some other NATO members, have long been working on plans against the independence, sovereignty and territorial integrity of Cyprus ... No one must interfere in the internal affairs of the Republic of Cyprus ... Only the Cypriots themselves, both Greeks and Turks, have the right to decide their destinies." (Quoted in Adams and Conttrell, 1968: 51).

The Soviet Union was accusing the U.S, Britain and the junta government of Greece of attempting to make Cyprus a major NATO military base in the Middle East - by uniting it with Greece. The basis for such charges began in the early 1970s when the U.S began to base its U-2 spy planes at the British Akrotiri sovereign base in Cyprus after Turkey banned them. The CIA, through the Foreign Broadcast Information Service, was also allowed to operate in Cyprus (Lewis, 1976: 32 in Bolukbasi, 1988: 170). On his official visit to Turkish Prime Minister Demirel, Soviet Ambassador Smirnov stated that "it was the Greek junta’s actions which caused casualties in Cyprus". He also implied that the Soviet Union was not opposed to Turkey’s military intervention in Cyprus (November 24, 1967 Cumhuriyet Newspaper). This set a significant precedent for the later events of 1974 (Mandell, 1992: 211-212).

In 1974 the Greek junta engineered a coup d’etat against Makarios in Cyprus which was undertaken by the Cypriot national guard. Greek officers, under the leadership of Nicos Sampson, overthrew the government of Cyprus on July 15, 1974. The reason for the coup was that President
Makarios favoured an independent Cyprus over enosis; the aim of the coup was to unify Cyprus with Greece (Denktas, 1988: 64; Bolukbasi, 1988: 167-169; Markides, 1977: 83). The same day, the coup leader proclaimed enosis. The U.S government was in favour of Cyprus being under the control of Greece. US Secretary of State Kissinger, accusing Makarios of being “the Castro of the Mediterranean”, was happy that the non-aligned and Soviet friendly policy of Makarios was over (Szulc, 1978: 795; Couloumbis, 1983: 89).

The position of the government of Turkey - the coalition government between the Social democratic RPP and pro-Islamic National Salvation Party (the NSP) formed in 1973 - was that under a U.S mediating umbrella, Greeks were reinforcing their military presence on the island in preparation to support enosis. The social democrat Prime Minister of Turkey, B. Ecevit, argued that the U.S was not a guarantor power, and, therefore, should not take part in negotiations (Hurriyet Newspaper, July 20, 1975; Ecevit, 1976: 65). As negotiations failed on how to restore political stability in Cyprus and prevent enosis, Turkish military forces landed in northern Cyprus on July 20, 1974, and captured 7 per cent of the island while Greek forces in Cyprus continued to occupy Turkish enclaves on other parts of the island (Denktas, 1988: 70). The Soviet Union did not reject the Turkish military intervention, provided that the independence of Cyprus would be preserved (Ecevit, 1976: 65; Stern, 1977: 117).

The intention of the Greek junta was to launch an all-fronts war against Turkey (Couloumbis, 1983: 94). The junta’s decision to widen the war was highly criticized by the Greek military high command, the Greek army stationed in Cyprus, and influential Greek politicians. In the face of mounting criticism, the junta collapsed on July 23, 1974, which also led to the collapse of Sampson’s coup in Cyprus. Constantine Karamanlis, who had been exiled by the junta, was invited back to Greece to form a civilian government of national unity (Couloumbis, 1983: 95).

On July 25, 1974, two days after the collapse of the military junta in Greece, the first Geneva Conference of the three guarantor states (Turkey, Greece and Great Britain) opened. On July 30, 1974, they

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2 This was clearly expressed by Makarios who escaped Cyprus in his speech at the UN Security Council in July 19, 1974. He announced that the Greek military regime had openly violated the independence and sovereignty of the Republic of Cyprus and had extended its dictatorship to the island, and added that the Sampson’s coup in Cyprus was clearly an invasion of Cyprus by Greece (Bolukbasi, 1988: 186; Denktas, 1988: 65-66).
signed a joint peace declaration stating that all the Turkish enclaves occupied by Greek or Greek Cypriot forces should be immediately evacuated and protected by U.N. peace keeping forces. They also accepted the de facto existence of two autonomous administrations in the Republic of Cyprus, that of the Greek Cypriot community and that of the Turkish Cypriot Community (Denktas, 1988: 72).

However, the mere acceptance of these administrations was not sufficient to lead to peaceful co-existence in the Island. The Turkish delegation presented two alternative plans calling either for a loose bizonal federation or a loose multi cantonal federation. Both Turkish proposals were considered by the Greeks and Greek Cypriots as masked forms of partitioning and were rejected (Couloumbis, 1983: 96). This led Turkey to engage in its second military operation in Cyprus (August 12-16, 1974) during which Turkish troops captured 36 per cent of the island, which created a large refugee problem for both sides of the Cyprus population (Denktas, 1988: 70-74; Couloumbis, 1983: 97). By 1975, the two communities on the island were physically regrouped into geographically contiguous zones, the Greeks living in the north and the Turks living in the south resettled in the other sector.

The question of how to reach a negotiated settlement with Greece caused the rise of an intra-coalition conflict in Turkey between the center left RPP and the Islamist NSP. The Leader of the pro-Islamist coalition partner NSP, N. Erbakan, favoured the partitioning of Cyprus in contrast to the Social Democrat Ecevit's proposal of a territorial federation within the independent Republic of Cyprus (Erbakan, 1975: 389). This prevented the government from offering concessions to Greeks which could have facilitated a settlement (Ecevit, 1976: 83, 95), and eventually led to Ecevit's resignation on November 7, 1974 (Ecevit, 1976b: 95).

Unable to confront Turkey militarily (Couloumbis, 1983b) and change the military status quo in Cyprus, Karamanlis decided to withdraw Greece from the military command of NATO. For Karamanlis, both NATO and the U.S were unwilling to react to the Turkish use of force in Cyprus. In order to bring Greece back to NATO military command and break the continuing diplomatic deadlock between Turkey and Greece, the U.S imposed an arms embargo on military aid and sales to Turkey on February 5, 1975.

The embargo proponents in the U.S used a combination of legal and strategic arguments. The legal argument was that Turkey used U.S. arms and equipment in the Cyprus war, contrary to the US Foreign Assistance Act of 1961 (PL. 87-195) and the Military Sales Act of 1968 (PL. 90-629) which stipulated that arms and services were provided to any country to be used for internal security and legitimate self defense (US Congress, 1981). For the proponents of this argument the Turkish military operation in Cyprus was an aggressive act.

The strategic argument, on the other hand, focussed on Turkey’s declining strategic importance for U.S interests in the Middle East. Massachusetts representative Cronin, for example, argued that Turkey was no longer important to the geopolitical interests of the U.S and thus did not deserve assistance. According to him, there was no additional Soviet threat involved (Congressional Record. Vol. 120, Pt. 24, p. 32429 Quoted in Bolukbasi, 1988: 218). The security of the Eastern Mediterranean and Turkey, during the 1970s, was regarded as secondary in NATO’s overall military planning. In a report prepared for the U.S. Congress in 1977 it was clearly stated that a possible Soviet attack on NATO would be launched against the Federal Republic of Germany, through the North German Plain, the Fulda Gap, and the Hof corridor. Nowhere in the report was there any mention of the NATO southern flank (U.S. Congress, December 1977). In another

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3 The strong involvement of the Greek lobby in the U.S, on the other hand, was decisive in the pro-embargo votes of the U.S congress (Howe and Trott, 1977). The Black caucus in Congress also supported the embargo because of their opposition to Turkey's poppy cultivation (Bolukbasi, 1988: 216). Opium issue was a favourite subject of the embargo proponents (Spain, 1975; U.S. Congress, House, 1975; U.S. Congressional Records, Vol. 120, pt. 24, p: 32429). California representative G. Anderson, for example, maintained that it was "self-defeating to provide assistance to any country which openly advocates the cultivation of opium poppies that wind up as deadly drugs inflicting our youth" (Congressional Records, Vol 120, pt. 24, p. 32429 Quoted in Bolukbasi, 1988: 217).

4 In 1978, Congress adopted a policy in the eastern Mediterranean “to ensure that the present balance of military strength among countries of the region, including Greece and Turkey, should be preserved. From this intentionally ambiguous language, ... evolved a practice of allocating military aid to Greece and Turkey on a 7:10 basis. The ratio (which discriminated against Turkey) has become Congress’ tool to show its disapproval of Turkey’s continued occupation of northern Cyprus and its dissatisfaction with Administration policy” (Laipson, 1992: 95).
From the beginning of the Cold War, Turkey was an important recipient of American military aid. The Turkish military was dependent on US export of weapons which was sustained by military aid. Turkey received $225 million in Marshall aid, supplemented by $305 million worth of direct military grants.

During the 1950s, the value of American aid to Turkey, in the form of grants, was more than $100 million per year. In the 1960s Turkey was sixth among aid recipients (Tuncer, 1975: 206-224). At the time of the U.S. arms embargo, however, US military grants were discontinued. Loans began to be the only category of aid which Turkey could obtain from the U.S. Even after the embargo was lifted in 1978, loans continued to be the main source of American military aid to Turkey. The shift in the American military aid program from grants to loans increased Turkey’s financial difficulties, which were already acute due to a decline in workers remittances and economic isolation within the EEC.

Although the American arms embargo was the immediate American response to the Cyprus War, the underlying reason for the shift from grants to loans was a change in the military dimension of the

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Table: 9. U.S. Military Assistance to Turkey, 1950-1980
(In Millions of Dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>Grant</th>
<th>Loan</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950 to 1970</td>
<td>3,406.6</td>
<td>-</td>
<td>3,406.6</td>
</tr>
<tr>
<td>1971</td>
<td>204.0</td>
<td>-</td>
<td>204.0</td>
</tr>
<tr>
<td>1972</td>
<td>164.4</td>
<td>15.0</td>
<td>179.4</td>
</tr>
<tr>
<td>1973</td>
<td>186.7</td>
<td>20.0</td>
<td>206.7</td>
</tr>
<tr>
<td>1974</td>
<td>117.7</td>
<td>75.0</td>
<td>192.7</td>
</tr>
<tr>
<td>1975</td>
<td>20.4</td>
<td>75.0</td>
<td>95.4</td>
</tr>
<tr>
<td>1976</td>
<td>-</td>
<td>125.0</td>
<td>125.0</td>
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<tr>
<td>1977</td>
<td>-</td>
<td>125.0</td>
<td>125.0</td>
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<tr>
<td>1978</td>
<td>.2</td>
<td>175.0</td>
<td>175.2</td>
</tr>
<tr>
<td>1979</td>
<td>5.3</td>
<td>175.0</td>
<td>180.3</td>
</tr>
<tr>
<td>1980</td>
<td>3.4</td>
<td>250.0</td>
<td>253.4</td>
</tr>
<tr>
<td>Total</td>
<td>4,108.7</td>
<td>1,035.0</td>
<td>5,143.7</td>
</tr>
</tbody>
</table>

American Atlantic strategy toward creating a new “Atlantic arms economy”\(^5\). The strategy here was to integrate arms production within NATO under the domination of the U.S. For this purpose, in 1976 the Carter administration established the Independent European Programme Group (IEPG) through which Western European NATO allies and Japan would join together in contributing more to Western defense (Lovering, 1987: 135). The new Atlantic arms economy was based on the military reindustrialization of the US, which was intended to transform the crisis of US capitalism into a transatlantic restructuring of military industry.\(^6\) The new structuring was to be achieved through of the integration of arms procurement within NATO through subsidiaries, licencing and other collaborative links with Western Europe and Japan. While the transnational production of high technology arms in the West would be taking place around a NATO axis, its endurance required an increased level of military imports by others. The oil-rich Middle Eastern countries, for example, were expected to spend petro dollars, accumulated through increased oil prices, to buy weapons while dollar short allies and friends of the Western bloc were expected to borrow.

In Turkey, the shift in American military aid from grants to loans aggravated an already serious situation in the Turkish economy. Turkey had the second largest standing army in NATO, second only to the U.S. It spent $2.6 billion in 1979 on its total active armed forces of 566,000 men, which accounted for 5.1 per cent of its GNP (US Congress, 1980: 15). After the embargo, Turkey was forced to purchase military equipment, complete weapons and spare parts, with hard currency payments. At the same time, European economic sanctions blocked all aid and loans until progress was made on the Cyprus question. Added to this was the U.S embargo on military sales to Turkey. All these sanctions imposed in the

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\(^6\) The origins of the shift in the military dimension of the Atlantic economy can be traced to the crisis in the post-war American capital accumulation strategy during the mid-1970s. Profits rates were falling, European and Japanese imports were penetrating the US market, and the costs of social reproduction were rising (O’Connor, 1981). In the context of recession, the government was unable to reduce the costs of social reproduction despite cuts in welfare. But one area remained in which the state would be politically and economically empowered through military strategy and arms spending. In the second half of the 1970s US military strategists were working on new conceptions of international threat to US interests, and to develop new military policies to deal with it (Halliday, 1984). Under the Carter administration, the military strategy was based on a policy of equipping the American armed forces for ‘worldwide war’: the US was to be capable of defending all theatres simultaneously. The new strategy turned into long-term rearmament by massive increases in US defense spending (Sivard, 1987). Major segments of US defense spending were targeted on industrial restructuring - one based on integrated computer-aided manufacturing of high technology weapons.
aftermath of the Cyprus War were a heavy burden on a crisis-ridden economy. When workers remittances began to fall after 1974 and the government’s ability to obtain foreign credits of long-term loans was impaired after the Cyprus war, governments were pushed to take short-term loans from private banks at high rates of interest. Borrowing from private banks on a short-term loan basis pushed the economy into an even deeper debt crisis.

What is striking about this situation is the juxtaposition of massive military spending and the economic crisis that Turkey was experiencing at the time. The arms embargo, coupled with enormous military spending, increased political awareness that Turkey was being locked in to the NATO Atlantic economy of arms through American military loans and short term borrowing from private banks. The embargo on military aid and sales as well as the European economic sanctions resulted in additional pressure on Turkey. First of all, there was the financial burden of repaying the loans, and second, it was necessary to spend more scarce foreign exchange reserves by trying to import either complete weapons, spare parts or their components to assemble them at home.

Turkey paid a large price for being integrated into the NATO military bloc - since the 1950s it had abandoned an important element of its sovereignty. Turkey’s ability to wage national wars and maintain national control over the means of war was abrogated by its membership in the integrated command structure of NATO. It was in this context that Turkey made changes in political strategy for a national industrialization plan. These changes happened alongside a gradual decoupling from the NATO trading regime in weapons. By giving more emphasis to the establishment of a national military industry Turkey hoped to become more independent within NATO.

The other set of circumstances involved in the intensification of the national industrial program was Turkey’s economic and political isolation in the EEC, which had been determined directly by the improving relations between Greece and EEC.

After withdrawing from the military command of NATO in 1975, the Karamanlis government of Greece went on to restore relations with the EEC, which were interrupted by the Colonels coup in 1967. In the context of widespread anti-Americanism, which followed the fall of the colonels’ regime, the Greek government saw “Europeanism” as a suitable alternative to the U.S, and applied for full EC membership on
June 12, 1975. Even though the EC was initially fearful of becoming embroiled in Greek-Turkish disputes, once entry applications were received from Spain and Portugal, the EC decided to deal with all three together. In 1976 the EC (the Council of Ministers) unanimously accepted the Greek application, putting aside the Turkish problem. EC negotiations with Greece began in July 1976 and finished in May 1979 with the signing of the Accession Treaty. Greece became a full member in January 1980 (Tsoukalis, 1981: 138-142; Featherstone, 1989: 188-189). Aid negotiations followed this, and by 1985 the Greek government secured a 1,759 million ECU loan via the Commission (Featherstone, 1989: 190).

This move was based on the assumption that participation in Community decision-making processes was the only way for Greece to improve its economic and political position, undermined by the EC policy of excluding associate members of the Mediterranean from the full benefits of the CAP. Bearing a similarity to the Turkish case (studied in chapter X), Greek agricultural exports as well as domestic industry were suffering from EC exports and the EC’s trading agreements with Greece’s Mediterranean competitors (Featherstone, 1989: 189). With full membership, Greece sought to utilize the EEC as a means for its economic development programs - to be realized through economic aid, greater mobility of labour and full market participation.

After application for full membership to the EC in 1975, the Greek government began to establish a linkage between Turkish-EEC relations and the Cyprus problem (Eralp, 1993 and 1991; Gurel, 1993). Turkey became economically isolated in the EEC. In return, in 1976 Turkey postponed fulfilling its responsibilities, for the years 1977 and 1978, on the tariff-reductions which were required by the 1970 Supplementary Protocol. In 1978 when another set of tariff cuts envisaged by the Protocol were to take effect, the Turkish government requested a revision in the terms of the Association Agreement and asked for a five year period of immunity from its tariff reduction obligations. By arguing that the value of preferences given to Turkish exports was undermined by the EC’s Mediterranean enlargement policy, the government requested that Turkish agricultural exports be included in the CAP, and that the EC restrictions on industrial exports, in particular textile products, be removed (Karluk, 1990: 203). The concern of Ecevit, Prime Minister at the time, was to secure for the Turkish economy (ailing under the American imposed arms embargo and the decline of workers’ remittances), the foreign credit urgently needed for its
revitalization. Ecevit requested $8 billion. The EC agreed to grant Turkey five years of immunity from its
tariff-reduction obligations, but refused all other requests (Karlık, 1990: 203). In response, the Ecevit
government froze relations with the EEC in 1978, by arguing that EEC membership was a hindrance to
Turkey’s national industrialization projects as envisaged by the State Planning Organization. Eralp (1993:
29) suggests that Turkey’s inability to extricate itself from the Cyprus problem provided Europe with a
suitable excuse for refusing to provide the financial assistance to Turkey.

It is a well known fact that since gaining its membership in the EEC, Greece blocked EC financial
assistance to Turkey and constituted one of the main obstacles to Turkish membership of the European
Community (Gurel, 1993). By linking the Cyprus problem with Turkish-EEC relations, the EC created
Turkey’s economic and political isolation in Europe - a move which did not help the overall situation in
Cyprus. Since the Cyprus War of 1974, the EC maintained the position that EC members would not give
their consent to Turkish membership unless Turkish-Greek differences were resolved and a political
solution in Cyprus was reached. The pressures exerted on Turkey did not help the negotiation process
within the UN to reach a political solution on the Cyprus problem. Turkish efforts to counteract the
pressures resulted in the formation of a formally independent Turkish Republic of Northern Cyprus in
1983, though it was recognized only by Turkey. The EC’s attitude became very clear at the highest political
level when Community leaders, at the June 1990 Dublin summit meeting, adopted a common official
attitude by declaring that they saw the future of EC relations with Turkey being tied to Turkish policy on
Cyprus (Gurel, 1993: 181). This declaration was followed a month later by the Greek-Cypriot government
application for full EEC membership (Cyprus, before being divided into two independent states, was an
associate member in the EEC since 1972).

The Turkish military intervention in Cyprus put Turkey in an isolated position in Europe during the
entire period between 1974 and the 1980s. While Turkey’s isolation in Europe continued, the American
attitude towards the Cyprus question, which resulted in an arms embargo, lasted until 1978. As I will
examine in greater detail in the following section, after the revolution in Iran (1978) and the Soviet
invasion of Afghanistan (1979) Turkey’s economic and political isolation vis-a-vis the U.S government
ended. The end of Turkey’s isolation in relation to the U.S was a result of the dramatic changes in the
international relations which prompted Turkish policy makers to develop new options for developing a new type of strategic importance in the region in relation to the United States - a maneuver which emphasized Turkey’s strategic role in the region as recognized and encouraged by the U.S. Until 1978, however, Turkey’s response to economic and political isolation in relation to both Europe and the United States was to maneuver for autonomy by developing closer relations with the Soviet Union and Middle East states.

11.2. The New Foreign Policy of Turkey

During the 1970s there was no international mechanism by which Turkey could accommodate internal political pressures rising out of increasing unemployment and growing debt. Both detente and the Cyprus crisis had directly undermined Turkey’s capacity to negotiate aid and mobilize official sources of external borrowing.

The deterioration of Turkish-U.S and Turkish-EEC relations went far beyond issues related to mere arms sales and credits. In relation to the US embargo, General Sancar, the Turkish Chief of Staff, stated that the U.S was imposing not only an arms embargo but also an economic embargo on Turkey in order to bring Turkey in line with U.S foreign policy (Arcayurek, 1985: 396-397). The Turkish government’s response to the impasse was to turn to the Soviet Union as an alternative source of arms supply and economic assistance - a move which was also shared by the Turkish military.

Autarchy as a strategy for industrial development and self-sufficiency was conceived as a viable alternative for achieving national independence, power and prestige. A high priority was given to building a powerful and independent state via state-directed national industry (Szyliowicz, 1991). The Soviet example of heavy industrialization provided the model. That is to say, the Turkish resolution to the political and economic isolation which Turkey was pushed into in the Western camp after the Cyprus War was to advance more nationally centered goals and pursue independence from the U.S led NATO bloc. Heavy industry, such as iron and steel production, was part of the national security discourse - valuable because of its capacity to save foreign exchange, to contribute to industrialization plans and, thus, to promote national power and prestige. The state-directed heavy industrialization project of the period was also a matter of great political and social significance. It accommodated the internal political pressures arising from
unemployment when there was no mechanism for accommodating Turkey's economic problems in the international political sphere.

Turkey chose to develop more independence within NATO and to initiate a multi-dimensional foreign policy, which included rapprochement with the Soviet Union. The aim was to attract much needed foreign economic assistance and find international support for the Cyprus policy. A shift in Turkey's foreign policy from a uni-dimensional NATO policy to a multifaceted one was intended to increase Turkey's capacity to negotiate aid in the shifting power relations of the state system.

It was the conservative Demirel government which made the official shift from a uni-dimensional NATO oriented foreign policy toward a multi-faceted one. This new multi-faceted strategy consisted of the following initiatives: 1- Turkey's security should not be based on increased militarization, but be strengthened by diplomatic relations with the states of the Socialist bloc and the Middle East - regardless of their political regimes; 2- Turkey should seek new friends in the international community to find support for its Cyprus policy; and, 3- Turkey required additional economic resources for its industrialization plans (Arcayurek, 1984: 307).

The new foreign policy was also supported by the "left-of-center" RPP during the late 1960s. In 1968, the RPP stated that Turkey should not only rely on NATO for its defence, but that a "truly" national defense strategy should be adopted (Ulus Newspaper July 10, 1968: 10). Then Secretary General of the RPP Ecevit, who had replaced Inonu as RPP chair in May 1972, insisted that the governments of Turkey be more assertive in protecting Turkey's national security interests as separate from NATO bloc interests (Ecevit, 1976: 11, 18). His point was that Turkey's national independence and security should never be compromised because of its membership in NATO (Cumhuriyet Newspaper December 9, 1967; Harris, 1972).

11.2.1. Turkish-Soviet Rapprochement

The decision to establish greater independence from U.S-NATO policy had already been made by the time of the Cyprus crisis in 1964 when the U.S warned Turkey (in the famous letter written by President Johnson) that it could not expect NATO assistance if Turkish intervention in Cyprus provoked a
Soviet response. This was a sign of a crack in the NATO alliance which prompted both Turkey and the Soviet Union to seek rapprochement. A series of diplomatic relations had been undertaken to establish closer relations. These included visits to Moscow by a group of Turkish parliamentarians in 1964, by Foreign Minister Feridun Elkin in October-November 1964, and by Prime Minister Urguplu in August 1965 (Ulman and Dekmejian, 1967: 779). Soviet President N. Podgorny reciprocated with a visit in January 5, 1965. This was followed by the visit of Foreign Minister A. Gromyko in May 1965, and Prime Minister A. Kosygin in January 1967 (Rubinstein, 1982: 20). These visits led to two important developments: Soviet neutrality on the issue of Cyprus and Soviet support for the Turkish idea of a federated Cyprus (Golan, 1990: 250).

Brezhnev saw an opportunity in Turkey's disillusionment with NATO to further Turkish-Soviet relations. His assessment was correct. When Soviet President Podgorny visited Turkey in January 1965, the Turkish government announced its decision to cancel Turkey's participation in the American plan for a NATO multilateral nuclear force. Moreover, the Demirel government banned U-2 flights conducted by the U.S in Turkey in December 1965 (Arcayurek, 1984: 309-310), and refused the U.S request in 1966 for the dispatch of Turkish troops to Viet Nam (Yon, February 25, 1966). The government also refused to increase Turkey's armed forces commitment to NATO. Most significant of all was Turkey's demand that NATO agreements be modified to include an explicit statement on the exclusively defensive character of the NATO alliance (Ulman and Dekmejian, 1967: 780).

Turkey's desire to receive economic assistance from the Soviet Union was an important aspect of the rapprochement. This was the continuation of a multi-faceted foreign policy approach which successive governments of Turkey had already established after the Cyprus crisis of 1964. There were aid offers from the Soviet Union since the early 1960s in exchange for Turkey's neutrality. For example, the Soviet Union had offered $500 million economic aid to the military government after the coup in 1961 in return for Turkey's neutrality. President General Gursel refused the aid offer (Gonlubol, 1987: 336; Rubinstein, 1982: 17). An offer of $400 million worth of economic aid was also made to Inonu when he became prime minister of the civilian coalition government in 1961. Inonu also refused the offer (Arcayurek, 1984: 262, 264-265). Demirel was the first Prime Minister of Turkey to accept Soviet economic aid since the end of
the single party era in Turkey. The Demirel government had reached an agreement with the Soviet Union in March 1967 to receive Soviet economic aid (Arcayurek, 1984: 267). In 1967 Turkey received a $200 million Soviet credit for a number of mainly industrial projects to be undertaken with Soviet assistance in Turkey. This was the most far-reaching foreign industrial assistance agreement which Turkey had ever made with any other country (Rubinstein, 1982: 26). In 1972 when the Soviet Union accorded an additional $280 million in aid for the Iskenderun iron and steel plant. By the end of the 1960s there were over 1000 Soviet economic advisers in Turkey, and Turkey was to be one of largest recipients of the Soviet economic aid.

By 1978 Soviet economic aid to Turkey reached a level greater than that extended to any country outside the Warsaw Pact bloc in those years (Rubinstein, 1979). The American embargo imposed on Turkey in 1975, and the Turkish response of closing off NATO bases in Turkey led to a decided improvement in Turkish-Soviet relations. This was translated into another large economic agreement: a Soviet credit of $700 million for existing and new projects. In 1977 a ten year economic agreement was negotiated for the sum of $1.3 billion (Golan, 1990: 253). And two years later on June 5, 1979, Turkey and the Soviet Union reached another economic assistance agreement for the construction of mostly energy-related projects in Turkey worth $3.8 billion (Norton, 1992: 106). Among other projects the Soviet Union agreed to build a number of large industrial plants such as Iskenderun Steel and Iron Mill, Seydisehir Aluminum Smelter, and the Izmir Aliaga Oil Refinery (Rubinstein, 1982: 27). The oil refinery, iron and steel complex, and the aluminum smelter were completed with Soviet credits worth $1 billion. Turkey agreed to pay the Soviet Union back by providing agricultural exports on barter terms (Gruen, 1980: 371; Arcayurek, 1985: 406-407). By the beginning of the 1980s Turkey had received some $2 billion in Soviet economic assistance (Golan, 1990: 253).

It was reported that by 1979 Moscow was aiding forty-four different development projects in Turkey. Joint investment projects included the construction of the Orhaneli thermal power station (with a capacity to produce 200 million watts of electricity) and the Can thermal power station (with a capacity of 600 million watts) (Milliyet Newspaper, October 27, 1978). The Soviet Union also committed itself in principle to the construction of a nuclear power plant, at a cost of about $800 million, and the expansion of
Turkish oil refining facilities and iron and aluminum plants. The Soviet Union was already supplying Turkey with about 7 million barrels of crude oil annually. With the 1979 agreement, it promised to double oil exports to Turkey (Boll, 1979: 623; Arcayurek, 1985: 406-407).

Turkish-Soviet trade relations continued to expand between 1975 and the early 1980s. The January 1982 trade pact, for example, involved a 33 per cent increase in trade on barter terms. The Soviet Union undertook to provide oil, fertilizer, timber and electricity in exchange for Turkish textiles and foodstuffs (US Congress, 1983: 14) - which Turkey could not export to the EEC.

Progress was also made in Soviet-Turkish cooperative relations in international politics. An exchange of high level visits became relatively standard after Kosygin’s 1966 visit. These visits resulted in a decidedly lower level of Cold War propaganda between the two countries. During the 1967 and 1973 Arab-Israeli war Turkey did not allow the U.S to use NATO bases for refuelling, reconnaissance or supply activities, direct combat or logistical support (Rubinstein, 1982: 38). But Turkey permitted the transfer of Soviet arms to both Syria and Iraq via Turkey in 1970 (Golan, 1990: 251). The Soviet Union was allowed to carry out its military deployments and flights over Turkish airspace as well as naval transit through the Straits in order to resupply Egypt and Syria. In 1972 Turkey and the USSR signed a Declaration of Principles of Good Neighbourly Relations.

The most important aspect of the new Turkish defense strategy was Turkey’s effort to improve relations with the Soviet armed forces. Turkey began to take a more flexible attitude toward the movement of Soviet warships through the Turkish Straits. In July 1976, for example, the Soviet antisubmarine cruiser Kiev-class carrier was allowed to move through the Turkish Straits (Rubinstein, 1989: 221-222; Gruen, 1980: 372). Similarly, during the 1973 Arab-Israeli War, Turkey permitted the passage of Soviet warships through the Straits despite the fact that there was no prior notification of the passage as required by the Montreux Treaty of 1936 (Golan, 1990: 254). Moreover, Turkish military delegation was invited in 1976 to observe the Georgian and Armenian military maneuvers (Gunaydin Newspaper February 28, 1978). In the same year a second military delegation went to Moscow. The second visit included tours of ground, naval and air units in Moscow, Leningrad and Volgograd military districts and the observation of field exercises (Milliyet Newspaper June 4, 1976). These two unprecedented visits by Turkey as a NATO
member led to negotiations for the purchase of SAM-6 and SAM-7 low altitude missiles from the Soviet Union (Hurriyet Newspaper June 25, 1976). A Soviet military delegation also visited Turkey in the company of General N. Ogarkov (Soviet First Deputy Defense Minister and Chief of Staff). The aim of the visit was to discuss possible arms assistance to Turkey and the building of an arms plant in Turkey that would produce spare parts for the planes and tanks previously supplied by the U.S. (Gunaydin Newspaper April 28, 1978).

According to Ecevit, Prime Minister at the time, “because of its geopolitical location Turkey is (was) not a country to leave its national security to the decisions of the U.S Congress ...” (Arcayurek, 1985: 402). For Ecevit “... establishing an atmosphere of mutual confidence with neighbouring countries is (was) at least as protective as, and sometimes more protective, than armaments.” (Ecevit, 1978: 205). According to then opposition leader Demirel, if Ecevit signed a nonaggression pact with the Soviet Union this would have meant that Turkey was about to change camps from the Western alliance to the Soviet bloc (Arcayurek, 1985: 409).

Turkey and the Soviet Union did, in fact, sign a ‘Treaty on the Principles of Good Neighbourly and Friendly Cooperation’ in 1978. Although it was not a non-aggression pact, the treaty was a break-through for Soviet relations with a NATO country. The agreement included a clause for the mutual prohibition of the use of their territories for the commission of aggressive or subversive actions against each other, a clause whose literal interpretation would preclude U.S surveillance facilities along the important Turkish-Soviet border (The text of the treaty in Pravda June 24, 1978 Quoted in Boll, 1979: 621). From the Soviet point of view, the treaty was meant to prevent NATO activity or facilities in Turkey.

For Turkey the application of the treaty was entirely dependent on the goodwill of the government to act according to the national interests of Turkey. This became clear just two months after signing the treaty when Turkey agreed to reopen American bases in exchange for the lifting of the U.S embargo on arm sales to Turkey. In the same year, Turkey refused overflight rights to the Soviets for the transfer of military aid to Ethiopia during the Ogadan War. Turkey also turned down Soviet offers of arms (Golan, 1990: 254-255).

In summary, the unfolding history of Soviet-Turkish relations was basically determined by the state
of Turkish-American relations. Domestic political factors, and changes in governments, did not appear to play a significant role. Various political parties had only slightly different opinions in regard to the Soviet Union. Although there was rapprochement, they were all suspicious and cautious of Soviet foreign policy. It was only after the U.S lifted the embargo in 1978 - in the wake of the Islamic revolution in Iran and events in Afghanistan that the U.S was once again willing to provide arms and resume economic assistance to Turkey.

11.2.2. Turkish-Middle East Relations

An understanding of Turkey's place in the Middle East requires consideration of its economic and political relations with the states of the Middle East in the context of shifting strategic balances between the U.S and Soviet Union. However, this understanding is limited by the lack of serious scholarly data on Turkish-Middle East relations.7

Two sets of factors were dominant in determining Turkey's policy toward Middle East states: the superpower bipolarity, and then Arab economic power. During the 1950s Turkey sought to link the Arab states of the Middle East into a pro-Western anti-Soviet alliance - a policy which matured with the establishment of the Baghdad Pact in 1955. During the 1960s Turkey pursued a more flexible foreign policy. A crucial development for Turkey occurred during the Cyprus crisis of 1964 when the limitations of its alliance with the U.S were clearly exposed. Moreover, the economic and political isolation of Turkey vis-a-vis the EEC and U.S, following the Cyprus War of 1974, confirmed for Turkish foreign policy makers that rigid loyalty to the Western camp was no guarantee of securing the national interest. Consequently, Turkey's Middle East policy ceased to be a function of its pro-Western alignment and the East-West competition of Cold War politics.

Following the Arab-Israeli war of 1967, Turkey voted for UN Resolution 242, which prescribed

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7 There has been a serious lack of scholarly research on Turkey's role in the Middle East and on Turkish relations with Middle East states. As P. Robins notes (1991: 1): "Even in Turkey itself the subject is largely neglected, partly because resources are not available within the country and partly because there is little interest among Turkish academics. Both reasons are indicative of the Kemalist view of Turkey's foreign policy priorities, and the values of the Kemalist cadres inside the Republic. And both go some way to explaining the lack of understanding which Turkey periodically displays for its Middle Eastern neighbours, and the policy problems which result."
the withdrawal of Israeli forces from territory occupied during the war but asserted the right of all regional
states to live within secure and recognized boundaries. This was the first sign of Turkish sympathy for the
Arab cause even though it was careful not to offend Israel (Robins, 1991: 74-79). During the 1970s,
Turkey began to routinely support Arab resolutions at the UN. In 1975 it recognized the PLO as the
exclusive representative of Palestinians. In the aftermath of the Egyptian-Israeli peace accord Turkey
permitted the PLO to open an office in Ankara in 1979, in opposition to Egypt and in support of Iraq,
Syria, Libya, Saudi Arabia and other principal Arab states. Turkey’s new foreign policy was aimed to gain
acceptance in the Middle East as a friend of Muslim countries. Turkey, therefore, began distancing its
Middle East policy from that of the U.S, and gave up its earlier pre-occupation with the polarized strategic
relationships of the Cold War.

Before the 1970s Turkey’s economic relations with the Middle East were minimal. Even though
economic and diplomatic relations began to improve during the 1960s, a more profound change occurred
during the 1970s. The impetus for this pro-Arab and particularly pro-Palestinian stand was a combination
of concern over the effective use of the oil weapon by Middle Eastern members of OPEC and the
awareness of the commercial opportunities opening up in oil-producing countries. Turkey’s membership in
the Islamic Conference Organization in 1972 was also in part a by-product of these considerations. I will
now proceed with a discussion of Turkey’s economic relations with the Middle East.

Following the 1973 oil shock, the price of Turkish imports from Middle East states increased
fivefold from $207 million in 1973 to $1.2 billion in 1977. The trade deficit, which was a manageable $45
million in 1973, had gone up to $893 million four years later (Robins, 1991: 101). The second oil shock,
experienced in the wake of the 1979 Iranian revolution, increased Turkey’s oil import bill to just over $ 3.86 billion in 1980 (OECD, 1982: 7, 43). In response to the rising oil bill, Turkey began to cultivate
economic ties with the oil-rich Middle East states. However, it was not until the beginning of the 1980s that
economic relations between Turkey and the Middle East began to improve. Since I will take up the 1980s
period in Chapter 13, I will just mention the economic interaction of the 1970s.

In the mid-1970s the largest Turkish contracting companies began to investigate the potential of the
oil-exporting countries. There were 22 Turkish contracting companies in the Middle east in 1978. Their
number reached 113 in 1981 (Robins, 1991: 105). The first success was in Libya, followed by Saudi Arabia. At the same time, Turkey and Iraq concluded an agreement to enhance Iraq’s oil export capability through Turkey. The first Iraqi oil pipeline was completed in 1977, stretching across Turkish territory to the Mediterranean, with a capacity of around 800,000 barrels per day (Robins, 1991: 59). It carried Iraqi oil to the Turkish port of Yumurtalik. The key point is that Iraq began to perceive Turkey as a relatively secure option as compared to Syria (Freedman, 1978). The export of Iraqi crude oil was boosted by the expansion of the capacity of the first pipeline to carry one million barrels by the end of 1984. With the beginning of Iraq-Iran war in 1980 Iraq also exported a considerable amount of oil via Turkey by tanker truck. These developments in regard to Iraqi oil indicate that Turkey became an important trans-shipment route for Iraqi oil since the late 1970s.

The Turkish economic and political rapprochement with certain Middle East states was also part of its new defense concept which was adopted as a response to the American arms embargo of 1975. Turkey began to search for possible means to develop its defense. In June 1975, the REMO defense appropriation bill was passed in the Turkish parliament as a fiscal plan for military reorganization. The bill required the establishment of a national armament industry. It contained a plan for enabling Turkey to earn foreign currency by exporting weapons within and outside NATO, as well as a plan for making Turkey self-sufficient in armaments (Cumhuriyet Newspaper June 30, 1975).

Turkey signed a five-year economic agreement with Iran in 1975 to establish a joint defense industry (Hurriyet Newspaper June 11, 1975; Cumhuriyet Newspaper June 9, 1975). The Iranian-Turkish agreement on regional arms production included the expansion of the Turkish tank industry in Kirikkale with Iranian financial assistance (Hurriyet Newspaper November 18, 1975). Turkey also undertook a series of joint industrial ventures with Libya. These included the establishment of an ammunition factory in Turkey, construction by Turkey of four submarines for Libya, as well as the sale of light and heavy machine guns, artillery pieces and shells to the Libyan army (Gunaydin Newspaper February 28, 1978; Milliyet Newspaper November 26, 1978).

11.3. Soviet-Middle East Relations and the Rise of Muslim Politics
I will now examine Soviet-Middle East relations, since it was within the strategic linkage facilitated by the new Turkish foreign policy that a new alternative to the bipolar division of the Cold War state system began to emerge in the Middle East.

Given that Soviet-Middle East relations have been widely analyzed in the relevant literature (Freedman, 1978, 1991; Golan, 1990; Dawisha and Dawisha, 1982), I will not become involved in this complex and ever-shifting relations. Suffice it to say that until the Suez crisis the Soviet Union was almost completely excluded from the Middle East, even though the Middle East had always been an important aspect of Soviet foreign policy strategy. As contiguous with the Middle East, part of Soviet strategic interest in the region was related to the importance of having access to and from the Mediterranean Sea via the Turkish Dardanelles and the Bosporus.

During the Khrushchev era (1953-1964), Soviet policy began to gain influence in the region through economic and military aid. This shift in Soviet policy coincided with the rise of anti-imperialist and anti-Western movements in the former colonies of Western Europe, at the center of which was Nasser's Egypt. The policies of the Soviet Union and the Arab nationalist regimes converged over their intense opposition to the Baghdad Pact, designed as a crucial NATO link to the Middle East.

In the period following the nationalization of the Suez Canal in 1956 until the fall of the Shah of Iran in 1978, the Soviet Union achieved the greatest influence in the Arab part of the region, although it was far from reaching a point of actual control (Freedman, 1978; 1991). Each of these countries maintained its independence of action both in domestic and foreign policy, and tended to obtain far more from the Soviet Union in the form of economic and military aid than it paid in political obedience to the Soviet Union. The nationalization of foreign property and the creation of a public economy did not produce socialist economies in the region, but resulted in a series of statist economies organized by anti-communist one-party regimes (Bromley, 1994). Moreover, the Soviet Union was unable to break economic ties, based on oil, between those Middle Eastern states and the Western world.

Soviet policy, from the time of Khrushchev to the end of Brezhnev era remained stable: It was formulated to exclude American and Western interests from the region while simultaneously increasing Soviet influence and power vis-a-vis the West. Both the Turkish-Soviet and Turkish-Middle East
rapprochements helped to transform the strategic environment within which Soviet-Middle East relations were carried out. The Soviet Union could thus pursue its goals in the Eastern Mediterranean and the Middle East without hindrance from Turkey. The transformation of the strategic context within which a superpower could pursue its foreign policy was the ultimate political gain the Soviet Union could have hoped for. Turkey became far more reluctant to undertake actions that might offend both the Soviet Union and the oil-producing Muslim states of the Middle East. Moreover, Turkey refrained from getting involved in disputes that did not concern its immediate interests. Moscow was therefore able to carry out its military deployments, overflights of Turkish airspace and naval transit through the Straits during the Arab-Israeli disputes. Contrarily, Turkey refused to allow the U.S to use NATO refuelling or reconnaissance facilities in Turkey during the 1973 American airlift to Israel.

Soviet policy concentrated economic and military resources in areas which would enable the Soviet Union to become the dominant power in the Middle East. This policy was pursued regardless of the economic cost to the Soviet economy. As part of this strategy, the Soviet Union was improving relations with both southern and northern states of the Middle East. Turkey and Iran became recipients of large amounts of Soviet economic assistance (Freedman, 1978: 26). In return, Turkey was expected to export food stuffs and textile products while Iran was to pay its debt with natural gas and oil. Its close allies, Egypt, Syria, Iraq and Algeria received large amounts of economic and military aid. For example, by 1977 Egypt’s debt to the Soviet Union was estimated to be about $11 billion (A. Dawisha, 1982: 11).

Soviet relations with various states in the Middle East were shaped within the framework of evolving crises and especially the Arab-Israeli crises - highlighting the overriding importance of the Soviet-American rivalry. The Arab-Israeli conflicts consolidated the Soviet policy of gaining influence through the sale of weapons. Heavy arms shipments to Egypt, Syria and Iraq preceded each conflict as was the case with the Six-Day War in 1967 and the Yom Kippur War in 1973. Moreover, the Soviet Union secured military facilities in Egypt, and to a lesser extent Syria, Iraq and Algeria. By the early 1970s thousands of military advisers were sent to both Egypt and Syria to rebuild their military power, and the Soviet navy obtained repair and resupply facilities at the Egyptian, Iraqi, Somali and Southern Yemeni ports (Dawisha, 1982: 14). These Soviet moves were taken within the strategic context created by Turkish-Soviet
rapprochement. In the process, there was an annual increase in the number of Soviet ships sailing through the Turkish Straits to the Mediterranean.

After the death of Nasser in 1970, Soviet influence in the Middle East began to decline, and in some cases was reversed. By the end of the 1970s, Soviet influence was confined to Syria, Libya and South Yemen while it was lost in Egypt, Sudan, Somalia and North Yemen, and seemed to be in the process of being lost in Iraq. Saudi Arabia, in alliance with Jordan, (which had been the most loyal Arab ally of the West) emerged in the mid- and late 1970s as a central actor in inter-Arab relations and regional politics. Egypt began to establish closer ties with the Saudi Arabian-Jordanian linkage, and turned to the West, obtaining its weapons from the West with Saudi Arabia paying the bill.

Egypt suffered a major political setback when it lost Sinai Peninsula in the 1967 Arab-Israeli war. When the Soviet Union refused to supply Egypt with weapons, in the quantity and quality demanded by the Egyptian government, President Sadat decided not to pay its outstanding $11 billion debt, which the Soviet Union insisted be in hard currency. One of the results of this was the expulsion of over 15,000 Soviet experts stationed in Egypt (A. Dawisha, 1982: 11). Egypt, which received about 43 per cent of all Soviet aid to countries outside the Warsaw Pact between 1954 and 1971 (A. Dawisha, 1982: 15), finalized its pro-Western attitude after the 1973 war, when Sadat decided that in the Middle East and particularly in relation to the Arab-Israeli conflict, the U.S had the upper hand (Freedman, 1978: 141-226).

After the death of Nasser and Sadat’s rise to power in Egypt, Soviet interests both in Iraq and Libya increased. Both Iraq and Libya are oil producing Middle Eastern states. Building on the traditional Iraqi-Egyptian as well as the Egyptian-Libyan conflict of leadership in the region, both Iraqi and Libyan alliances were thought to create certain possibilities for Soviet tactics in the region. In this respect, not only geo-strategic relations played a prominent role but also the Soviet desire to promote oil trade diversification in the Middle East from Western Europe to the Soviet Union and Eastern bloc countries (Waterbury, 1974). It seems that the economic interests of Turkey and the Soviet Union converged over Middle East oil politics. At that time, Turkey was also improving its relations with both Iraq and Libya.

Iraq has held a strategic location bordering with historically pro-Western states of Turkey, Iran, Saudi Arabia, Kuwait and Jordan. Iraq’s “need” for military assistance for its internal as well as external
conflicts made it an excellent candidate for Soviet support. The Soviet union supported Iraq both in its dealings with the Iranian-supported Kurdish rebellion in the oil rich Mosul and Kirkuk regions, and in its conflict with Iran over the Iranian takeover of three islands in the Hormuz Strait, as well as another conflict with Iran over the Shatt al-Arab waterway developed in 1973-1974. In exchange for signing the Treaty of Friendship and Cooperation, Iraq secured Soviet help for the nationalization of the Iraq Petroleum Company (IPC) in 1972 (Golan, 1990: 167). In 1971, Iraq had already received a $224 million Soviet loan for the construction of an oil refinery and two oil pipelines which traversed Turkish territory. This loan was to be paid off with oil (Freedman, 1978: 50). The Soviet Union paid for the nationalization of the IPC since it provided an alternative market for Iraqi oil after some Western markets were lost in the early 1970s. They also provided technical production assistance and financial aid. The Soviet Union also agreed to assist Iraq in drilling, refining and developing the Iraqi oil fields and oil industry, including the supply of equipment and tankers lost by nationalization.

Shortly after the nationalization of oil in 1972, Iraq and the Soviet Union negotiated a large arms agreement and, in the period between 1972-1975, Iraq doubled the size of its arms forces through the doubling of Soviet arms supplies. The Soviet Union supported Iraq in its dealings with the Kurdish population in the oil producing areas around Kirkuk, Mosul, and the oil pipelines, the main roads in the north and those connecting Iraq with Turkey. The Iraqi suppression of Kurdish opposition also provided an important impetus for a convergence of interests between Turkey and Iraq, in addition to the issue of trade.

After the 1975 Algiers agreement when Iran ceased giving support to the Kurds (Golan, 1990: 169), the Iraqi need for Soviet arms diminished. And Iraq began demanding hard currency payments at new higher prices from the Soviet Union for its oil supplies (Golan, 1990: 167). In 1973-74 the price of Iraqi oil was increased four-fold (Bromley, 1994: 140). In return, the Soviet Union demanded hard currency payment for its arms. Moreover, Iraq reduced the Soviet's share in Iraqi foreign trade to 10 per cent, less than that of Western Europe and even of France by itself (Golan, 1990: 170). These moves indicated that Soviet-Iraqi relations were not entirely based on an "ideological alliance and revolutionary bond". The Soviet-Iraqi relationship was at its lowest when the Soviet Union invaded Afghanistan. Iraq openly
opposed the invasion.

The other alliance developed by the Soviet Union after the death of Nasser was with Libya. Up until the early 1970s Libya was opposed to Soviet involvement in Middle East politics. Of all the states in the region it was in Libya that the Soviet Union had had the least influence since its independence in 1952. Qaddafi’s coup d’etat of 1969 was followed by an independent foreign and domestic policy, as Qaddafi often clashed with both the U.S and Soviet Union. For example, Qaddafi openly denounced Soviet military aid to Hindu India to be used against Muslim Pakistan during the Indo-Pakistani war of 1971 as “confirming the Soviet Union’s imperialist designs in the area” (Freedman, 1978: 72). Qaddafi’s reaction to the Soviet Union was also motivated by the assumption that Soviet assistance to India had made it easier for Iran to conquer the three strategically located Iraqi islands in the Persian Gulf. Iranian seizure of the islands led Libya to nationalize British petroleum’s interests in Libya in 1971 because Qaddafi found Britain complicit in the Iranian action (Freedman, 1978: 73). This was the first political nationalization of a Western-owned oil company in the Middle East. It was followed by the Iraqi nationalization of the IPC in 1972 and then the Syrian nationalization of the IPC pipeline complex running across Syria. By that time, Qaddafi was the most vocal anti-Soviet leader in the Arab world. He was instrumental in establishing a union of Egypt and Libya in 1972 after Sadat expelled Soviet experts from Egypt (Freedman, 1978: 87). Nevertheless, relations between Libya and Egypt were weakened over Qaddafi’s Islamic “cultural revolution” and Libyan disapproval of the improvement in relations between Egypt and pro-Western Saudi Arabia. When Egypt signed a disengagement agreement with Israel after the 1973 war, with the assistance of the U.S, the Libyan-Egyptian union came to an end. Libya and Iraq stood together in their opposition in such a way that they were both isolated in the larger pro-Western Middle East politics. It was their isolation in the Middle East that brought them closer to the Soviet Union while Turkey provided the strategic link.

The intention of Soviet policy during the war was to use oil as a weapon and create an “anti-imperialist” Arab unity around oil politics. Libya cut off all oil exports to the U.S on October 19, 1973 and Saudi Arabia, Kuwait, Qatar, Bahrein, and Dubai followed suit. The price of oil increased from $ 2.59 per barrel in January 1973 to $ 5.12 in October, 1973 (Venn, 1986: 199 quote # 57). On March 19 the oil embargo against the U.S was lifted by the major oil producing Arab states, led by Saudi Arabia and
supported by Egypt. Nevertheless, oil prices went up to $16-20 per barrel in December 1973. Prices reached $40 per barrel between 1979-1980, following the Iranian revolution and the subsequent Iran-Iraq war which reduced the volume of oil available in world markets by between 4 and 6 million barrels (Venn, 1986: 202, quote #27).

The termination of the oil embargo in March, 1973 gave way to a new form of disunity among Arab states while also marking a significant defeat for Soviet diplomacy in the Middle East. Arab unity on the oil embargo was clearly broken as Libya and Syria refused to go along with the majority decision to lift the embargo. Libya found itself totally isolated from the new Middle East political relations developing along the Saudi-Egyptian axis backed by the U.S. In response, the Soviet Union stepped up support to both Iraq and Syria while also improving relations with Libya (Freedman, 1978). The arrangement of Soviet-Libyan relations on a long term trade basis was the crucial dimension of new Soviet policy. As was the case with Iraq, the Soviet Union wanted to exchange its technology and equipment, including arms, for Libyan oil. The Soviets wanted to gain access to Libya’s large hard-currency reserves - a development that would enable the Soviet Union to step up its purchases on Western markets (Freedman, 1978: 161; Sodaro, 1990: 248).

While the Soviet Union worked to improve relations with Libya and solidify its ties with Iraq - a move intended to increase Soviet access to oil in exchange for Soviet supply of arms and technical-industrial assistance - the Western economies were in recession under the strain of paying quadrupled prices for Middle East oil. The hard work undertaken by the Soviet Union to establish and reinforce ties with Iraq and Libya, while seeking to attract Turkey to its side, was an indication that the Soviet Union was in need of hard currency. This was to be gained by selling its oil on the Western markets and finding additional sources for its Warsaw Pact allies. The Soviet Union was obligated to provide 50 million tons of oil to its Warsaw Pact partners for the period between 1971 and 1975, and 70 million tons a year after that (The Economist, July 22, 1972: 82). This obligation, undertaken within Warsaw Pact economic planning, resulted in the Soviet Union not being able to benefit from the oil price rises of the 1973-1974 period, unless it increased the price of its oil or found additional sources of supply.

Within the complexity of Middle East politics the Soviet Union, in 1974, decided to raise the price
of its oil to the level of world market prices, and demanded that Warsaw Pact countries pay in hard currency (Sodaro, 1990: 254). Perhaps this represents a pivotal turning point in Soviet-Warsaw Pact relations. After the mid-1970s, Warsaw Pact countries, including East Germany, were pushed into bilateral relations with Western governments, private banks and international lending agencies. In this respect, the Comecon Investment Bank⁸ was the link in enhancing the economic ties of the Warsaw Pact countries to the capitalist economies.

The oil politics of the mid-1970s was shaped by an uneasy unity among oil producing Arab states. Arab unity soon proved to be temporary. The termination of the oil embargo pushed Soviet strategic thinking further along in terms of the political opportunities that might be derived from a more active Islamic strategy in the Middle East. Islam became the new strategic weapon used by the Soviet Union to unite Arabs against “Western imperialism and Israeli aggression”.

The Soviet Islamic weapon had already been mobilized under Khrushchev. It was initiated cautiously through the use of Soviet-Muslims in the Middle East. Even though these Muslims were secular and members of the Soviet Communist Party, they were, nonetheless, of Muslim-origin. The most important theme developed by Soviet-Muslims was that of Islamic solidarity - the notion that the Soviet Union (with a Muslim population of approximately 50 million) was a Muslim friendly society, and that the war in Suez was a war of all Soviet Muslims. To disseminate this theme, Soviet international organizations under the leadership of Muslim-origin Soviet intellectuals were mobilized in the Middle East. These included the Afro-Asian Solidarity Committee, founded in 1956, and the Peace Partisans. Several conferences assembled by these organizations in the Middle East were attended by large Soviet-Muslim delegations. For example, the December 1957-January 1958 Cairo conference of the Afro-Asian Solidarity Committee was led by Saraf Rashidov, First Secretary of the Central Committee of the Communist Party of Uzbekistan. Kazakh writer Muhtar Auezov, a member of the CP of Kazakhstan, was Vice-Chair of the Afro-Asian Solidarity Council, whose seat was in Cairo. Another example is the April 1959 Baghdad

⁸ According to The Economist (January 6, 1973: 28), during the early 1970s a consortium of 16 Western European banks granted a five year loan of $ 60 million to the Comecon Investment Bank. The most important banks which were lending to the Comecon Investment Bank were the Dresdner Bank of Germany, Credit Lyonnais of France, Morgan Grenfell and Kleinwort of England, Bank of America in Vienna, and First National City, BCI and Lavoro of Italy.

During the Brezhnev era (1964-1980), and especially during the 1970s after the 1967 Arab-Israeli war, the Soviet use of Islam was intensified. The Soviet Muslim religious establishment and their functionaries from Central Asia and the Caucasus were mobilized as “ambassadors” to the Muslim Middle East, for the purpose of establishing Islamic solidarity against “Western imperialism and Israeli aggression”. The Soviet Muslim religious establishment, which was represented by four Muslim spiritual boards, was the most effective instrument for promoting this goal. Moreover, one of the objectives of the Soviet religious establishment was to advertise the freedom of Islam in the Soviet Union and establish contacts with pro-Western Middle Eastern states such as Saudi Arabia and Jordan, which were still closed to Soviet diplomats (Bennigsen, et. al., 1989; Bennigsen, 1983; Ro’i, 1984). The overall aim was to demonstrate to Muslim Middle Eastern countries that the Soviet Union was the best friend and partner of the Muslim world and a Muslim country itself. This theme was clearly presented at the Rawalpindi Islamic Conference in November 1968. The Soviet Union was represented in the Islamic Conference as a Muslim country by a Soviet-Muslim delegation led by Z. Babakhanov, the head Mufti of the Muslim Spiritual Board of Tashkent. At the conference, Babakhanov expressed his strong protest over US, Israeli and British imperialism in the Middle East (Bennigsen, et al., 1989: 39).

The cooperation of the Soviet-Muslim religious establishment with Soviet foreign policy makers manifested itself in three ways: visits and Islamic conferences in the Soviet Union; visits to the Middle East by Soviet muftis and imam-hatips; and international journal publications by Soviet Muslim authorities. Between 1973 and 1979 official Soviet Muslim-religious delegations visited 20 Muslim countries. They visited Saudi Arabia seven times, North Yemen and Algeria twice; and the Gulf states, Iraq, Egypt, Syria, Jordan, Tunisia, Libya, Turkey, India, Pakistan, Bangladesh, as well as some other Muslim countries in Africa - once each. In the same time period, 24 Muslim religious delegations from 20 Muslim countries visited the Muslim republics of the Soviet Union (Bennigsen, 1989: 43-49). The most active Soviet-Muslim journal was Muslims of the Soviet East.

The first of many international conferences for Muslims was organized by Z. Babakhanov between
October 6-8, 1970. The theme was the “The Unity and Cooperation of Muslim Peoples in the Struggle for Peace”. 100 Soviet Muslim functionaries and numerous official representatives from 24 Muslim countries attended the conference. Among the many other international conferences organized by the Soviet Muslim religious establishment between 1973 and 1979 was the November 13-14, 1973 conference convened in Tashkent on the theme, “Soviet Muslims support the just struggle of the Arab people against Israeli imperialist aggression”. Z. Babakhanov chaired the meeting. In August 1974 a conference to commemorate the 1200th anniversary of Imam Ismail al-Bukhari was held in the Soviet Union. This conference attracted high level Muslim officials from 27 Muslim countries as well as the Deputy Director of the Muslim World League. The 1979 symposium on the theme “The Contribution of the Muslims of Central Asia, the Volga and of the Caucasus to the Development of Islamic Thought, to the Cause of Peace and Social Progress” attracted delegates from 30 Muslim countries as well as the General Secretary of the Muslim World League, Inanullah Khan (Bennigsen, et al., 1989: 50-52). At that conference, Turkey was represented by Dr. Mehmet Talgat Karacazmali of the Directorate of Religious Affairs.

All these efforts by the Soviet Muslim religious establishment gave way to an important development in 1978 when Saudi Arabia decided to modify its attitude toward the Soviet Union and open a line of communication with Moscow. As the Israeli-Egyptian dialogue, engineered by the U.S, resulted in the Camp David agreement, Saudi Arabia decided to participate in the Arab summit conference convened in Baghdad in November 1978 along with other Arab states which rejected and condemned the Egyptian move. The objective of the new Saudi line was to dispel its association with the United States. After the Camp David accord of 1978 Saudi Arabia entered into a new alliance with pro-Soviet states of the Middle East. Foreign Minister Sa’ud al-Faisal made a statement on Saudi “recognition of the important Soviet role in global politics”, and also expressed gratitude for “the positive Soviet stance towards Arab causes”. In addition to the public statement, Saudi Arabia also allowed the Soviets direct flights from Moscow to San’a, the capital of North Yemen, flying over Saudi air space (Churba, 1980: 355). The Saudi-Soviet rapprochement reached its peak in October 1979 when Saudi Defense Minister stated that

“Though we do not have diplomatic relations with the Soviet Union, ... we do not oppose the establishment of diplomatic relations provided the Soviets will understand that our position emanates from the principles and values of Islam. We do not wish to see
foreigners (i.e. foreign diplomats) in our country who preach heresy. If and when the causes for our concern are removed, there will be no reason for the absence of diplomatic relations between us.” (Goldberg, 1984: 267).

The conditions which the Saudi Defense Minister put forward were something that the Soviets could live with; after all the Soviet Muslim religious establishment had been mobilized to demonstrate that the Soviet Union was supportive of Islamic religion and the best friend of Muslim countries.

However, the Soviet Union invaded Afghanistan in December 1979 and this caused a significant setback for the Soviet Islamic strategy. In response to this invasion, the Saudis played a leading role in convening two Islamic Conference Organization meetings in Islamabad (Pakistan) in January and May of 1980. At the conferences, all Muslim states, including Turkey, with the exception of Libya, Syria and South Yemen, condemned the Soviet invasion. Even though the Islamic revolution of Ayatollah Khomeini was initially supported by the Soviet Union, Khomeini publicly elevated the “status” of the Soviet Union to demonic supremacy, even over the US, calling the Soviets “the greatest Satan”. The leaders of Saudi Arabia expressed the conviction that the invasion was part of a grand Soviet strategy to establish hegemony over and eventually capture the oil-rich Persian Gulf. The Saudi Petroleum Minister Ahmad Zaki al-Yamani offered an economic explanation, and stated that the Soviet action in Afghanistan was motivated by declining Soviet oil production which would force the Soviet Union to become an oil importer over the next few years (Goldberg, 1984: 268).

At this particular juncture, there was a shift in American foreign policy, from a single pre-occupation with Israel and the Arab-Israeli conflict toward a broader policy in relation to the Muslim world. The U.S began developing its own Islamic strategy based on an appreciation of the opportunities that positive engagement could create for rendering the efforts of the Soviet Islamic strategy less effective. The Islamic revolution in Iran and events in Afghanistan had made the Persian Gulf region vital to American interests. As a result, Turkey’s geo-strategic importance in the security of the Middle East and Persian Gulf had become increasingly significant for American interests. I will explore the issue of American involvement in Middle East Muslim politics in Chapter 13.

11.4. Islam in the International Order of the 1970s: Islamic Conference Organization
The invasion of Afghanistan created a major set-back in the Soviet Union’s strategy of forming anti-Western Islamic solidarity among Middle East Muslim states. Nevertheless, the earlier Soviet call for Islamic unity against “Western imperialism and Israeli aggression” did have a major impact on the rise of an Islamic political movement. In the spirit of non-alignment, this movement aimed to achieve self-reliance and improvements in the economic and political position of Muslim states by creating inter-regional integration and economic co-operation. Moreover, Muslim states resolved to achieve these goals while remaining aloof from super power entanglements. The Organization of the Islamic Conference (OIC) is an expression of this move towards greater interregional political integration and economic co-operation (Moinuddin, 1987; al-Ahsan, 1988). Although the establishment of the OIC was not a Soviet initiative, it was supported by the Soviet Union and became the institutional framework for an emerging Islamic bloc in the international system.

The Organization of the Islamic Conference (OIC) consists of 45 member states, and is based on the Charter of the Islamic Conference approved in 1972 by the Third Islamic Conference of Foreign Ministers. The emergence of the OIC as a formal organization goes back to the first Islamic Summit Conference, attended by Kings and Presidents of 24 Muslim countries. It was held from September 22 to 25 of 1969 in the Moroccan capital of Rabat. At the conference, it was declared that “Muslim governments would consult with a view to promoting among themselves close cooperation and mutual assistance in the economic, scientific, cultural and spiritual fields, inspired by the immortal teachings of Islam” (al-Ahsan, 1988: 18). It was also decided that a permanent secretariat to foster cooperation among member states would be established. At the first Islamic Conference of Foreign Ministers, held in 1970 in Jeddah, Saudi Arabia, decisions were made regarding the establishment of a General Secretariat and the appointment of a Secretary General for the new organization. A charter for the organization was approved by the Third Conference of Foreign Ministers in 1972, and Article 1 of the charter declared the name of the organization to be the Organization of the Islamic Conference (“Munazzamah al-Mu’tamar al-Islami” in Arabic) (al-Ahsan, 1988: 18-19).

The first step towards realizing Islamic co-operation was taken during the beginning of the 1960s. The fifth and sixth Islamic conferences, made up of various Muslim groups and organizations, were held in
1962 and 1964 in Baghdad and Mogadishu, in the hope of creating greater Muslim unity. The 1964 Mogadishu meeting officially adopted the convening of an Islamic Summit conference to be attended by all Kings and Presidents of Muslim countries. Somali President A. Othman made the official call for Muslim unity to be achieved through an Islamic organization.

At this stage, President Othman’s call for Muslim unity aroused little excitement in the majority of Muslim countries, including the Arab states of the Middle East. The Arab states were divided between the pro-Western conservative monarchies of Saudi Arabia, Jordan, Kuwait and Libya, and the pro-Soviet revolutionary regimes of Egypt, Iraq, Syria, Algeria and Yemen. The Arab world was involved in a kind of “cold war” of its own. Faced with the ideological challenge of secular Arab nationalism represented by Egyptian President Nasser, Saudi Crown Prince Faisal came with his own idea of Muslim unity based on the concept of the “ummah”. The intention of the Crown Prince was to combat the deepening of Nasser’s radicalism and socialism in the Arab world. Thus, Faisal invoked Islam as a counter ideology. Faisal stated:

“It is in these moments when Islam is facing many undercurrents pulling Muslims left and right, east and west, that we need time for more cooperation and closer ties to enable us to face all the problems and difficulties that obstruct our way as an Islamic nation, believing in Allah, His Prophet and His laws.” (Quoted in al-Ahsan, 1988: 17).

When Faisal became the king of Saudi Arabia in 1964, he continued with his efforts. His intention was to form an Islamic unity in the Middle East between conservative monarchs of the region so as to put a check on the secular nationalist and socialist tide around them. This was made evident during Faisal’s meeting with the Shah of Iran in December 1965 in Tehran, Iran. King Faisal’s call for Islamic solidarity, however, was rejected by Nasser (Moinuddin, 1987: 70-71). Nasser interpreted the meeting of the monarchs as an imperialist-reactionary plot directed at the destruction of Arab nationalism. Faisal’s call for Islamic solidarity renewed political conflicts and competition for leadership in the Arab world. His response to that struggle was to propagate the Islamic concept “ummah” through the missionary activities of the Rabitat al-Alam al-Islami, established in 1962 by an international Islamic conference convened in Mekkah. The primary goal of the Rabitat al-Alam al-Islami (also known as the Muslim World League) was to fight secularism in the Arab and Muslim world (al-Ahsan, 1988: 16).

The main dividing line between the “revolutionary” nationalist and the conservative states
crystallized into the ideological opposition between Faisal's concept of Islamic solidarity and Nasser's call for a secular Arab nationalism. This struggle continued until the 1967 Arab-Israeli war. A change in the situation occurred in 1967 when the leading Arab nationalist states were defeated by Israel. The defeat was a crushing blow for the ideas of Arab nationalism popularized under the leadership of Nasser. The loss of Jerusalem in the war, and the arson damage in the Al-Aqsa Mosque in Jerusalem under Israeli occupation in 1969, finally opened the way to a renewed call by Saudi King Faisal for Islamic cooperation, specifically for the liberation of Jerusalem from Israeli occupation. The first Islamic Summit Conference of the Kings and Presidents of States of Islamic Countries was thus convened in Rabat in 1969 where the participants, including Turkey, decided to establish the Organization of the Islamic Conference (OIC). Even though the immediate goal was to liberate Palestine and Jerusalem from Israeli occupation, the major outcome of the Rabat Summit was a resolution to promote close co-operation and mutual assistance among governments in the economic, scientific, cultural and spiritual fields. The Organization of the Islamic Conference was established in 1972 towards realizing these goals.

The Soviet Union supported the establishment of the OIC and participated in many Islamic Conference meetings. Turkey was a founding member of the OIC and joined many of its subsidiary organizations. The commitment of the participating member states in the OIC improved dramatically after the 1973 oil price increases. Some oil exporting member states became financial giants and were thus in a position to provide major financial assistance to the organization itself as well as to member states.

The principal policy-making bodies of the OIC were constituted in the form of "conferences"; four major components made up the OIC. They are: 1- the Conference of Kings and Heads of State and Governments (also known as the Islamic Summit Conference) which determines general policies of the OIC; 2- The Conference of Foreign Ministers which is the main decision-making institution; 3- The General Secretariat which is the executive organ; and 4- The International Islamic Court of Justice. It was decided in 1981 to establish the International Islamic Court of Justice, although it is still not in operation. The work carried out by the General Secretariat for Islamic solidarity in economic, political, cultural and social affairs is supplemented by various subsidiary organs. Among them is the Islamic Solidarity Fund, located in Jeddah (Saudi Arabia), created in 1974. It was to provide Muslims throughout the world with
financial assistance to improve their religious, social, cultural and intellectual standards, and to contribute to the construction of mosques, hospitals and other similar institutions. The Research Center for Islamic History, Art and Culture as well as the International Commission for Islamic Heritage, both centered in Istanbul, were created in 1980 to create scholarly conditions for the revival of Islam in the social, cultural and intellectual affairs of Muslims. These institutions were funded by member states, Saudi Rabitat al-Alam al-Islami, which provided the largest contribution, and the Islamic Solidarity Fund. There are a number of other subsidiary organizations established with the goal of promoting economic ties among Muslim countries. These are: the Statistical, Economic and Social Research and Training Center for the Islamic Countries (also known as the Ankara Center) founded in 1977 in Ankara (Turkey); the Islamic Foundation for Science, Technology and Development (1975) located in Jeddah (Saudi Arabia); the Islamic center for the Development of Trade (1981) located in Casablanca (Morocco); and the Islamic Chamber of Commerce, Industry and Commodity Exchange (composed of the national chambers situated in the member countries of the OIC) located in Karachi (Pakistan).

As an international organization the OIC is based on the idea of member state sovereignty. It is comparable to any other intergovernmental institution, with an emphasis on promoting rapprochement and solidarity among a larger unity of Muslim states, transcending ethnic/racial and national differences (Article 2 of the OIC Charter). In contrast to the emphasis of the EEC or the Organization of African Unity (OAU) on a compact regional-geographic area, for example, the charter of the OIC refers to states which had participated in the First Islamic Summit Conference in Rabat (1969) and to every "Muslim state" which is eligible to join the Islamic Conference based upon its preparedness to adopt the Charter (Article 8).

The OIC charter reaffirms the commitment of its member states to the UN Charter, and calls for respect of the sovereignty, independence and territorial integrity of each member state in inter-Islamic relations. The emphasis placed by the member states of the OIC on the principle of sovereignty is an affirmation of the OIC's rejection of supranationalism. The stress of the OIC is on the exercise of sovereign control over natural resources, economic activities, military-strategic planning, and the principle of territorial integrity. This sharply defines and delimits the scope of Islamic solidarity. On the other hand, it poses an important question concerning the relationship between the OIC and the Islamic idea of
“ummah” as the foundation for cooperation among Muslim states.

The members of the OIC are “Muslim” nation-states, not individuals nor non-governmental organizations. The Charter of the OIC does not define what is meant by “Muslim state”. It appears that the term refers to a nation-state where Muslims constitute the majority of the population. However, there is no consistent policy concerning the definition of a Muslim state in terms of the size of its Muslim population. For example, the Soviet Union, with a minority Muslim population of approximately 50 million, presented itself as a Muslim society and participated in OIC meetings and conferences through the Soviet Muslim establishment. However, a number of countries with a Muslim majority, including Albania, Ivory Coast and Tanzania never became part of the OIC. Although the majority of its population is non-Muslim, Uganda became a member. But, Bulgaria, Yugoslavia and other states which had substantially larger Muslim populations did not become involved in OIC activities. And the membership of India, although it has a sizable number of Muslims, was cancelled by the OIC. Moreover, a number of non-governmental organizations such as Rabitat al-Alam al-Islami (Rabitat, in short), Arab League, OAU, and the UN maintain observer status at the OIC. These observers do not participate in decision-making but are able to express their opinions (al Ahsan, 1988: 45-55).

The Charter declares that: “Their (member states’) common belief constitutes a strong factor for rapprochement and solidarity among Muslim peoples” (Quoted in al Ahsan, 1988: 47). This statement suggests that the OIC depends on the belief of individual citizens of its member states as the fundamental basis for cooperation among its members. This position reveals a conflict within the structure of the OIC for not all citizens of its member states are Muslims. Similarly, Muslim citizens of a non-member state are not included within the structure of the OIC. Since the U.S and Canada are not member states, neither Farakhan’s Nation of Islam nor the Muslims of the U.S and Canada are included in the OIC. Nonetheless, the Turkish-Cypriots and the Moro Front of the Philippines have observer status at the OIC.

This lack of clarity in establishing specific criteria for membership poses a question concerning the relationship between the OIC and the Islamic idea of “ummah”. International cooperation on the platform of the OIC was based on the Qur’anic concept of ummah (al Ahsan, 1988). The Qur’anic usage of the concept ummah is related to the idea of a well-knit group of people who believe in any one of a number of
possible ideas. It refers not only to a community tied together around an ideology, but also to the ideology itself within the community (Qur'an, 6: 38; 10: 19; 16: 93; 43: 22-23; 16: 120; 7: 159; 11: 8; 28: 23; 7: 160; 2: 143; 5: 48). The basis of Muslim ummah is the ideological-moral unity among individuals who accept Islam as a way of life. This definition of ummah does not accept the sovereign authority of states above the Islamic law (shariat). Historically, immediately after the death of Prophet Muhammad, the institution of Caliphate was established to become the supreme authority in the implementation of the concept of ummah through the Shariat. The institution of Caliphate, which had been taken over by the Ottoman Sultans in the 15th century, lasted until 1924 when the Turkish Grand National Assembly abolished it. In the case of the OIC, although it was founded on the basis of the Qur'anic concept of ummah, it does not appear to be an institution replacing the caliphate. The fundamental difference between the OIC and the caliphate institution lies in the notion of sovereignty. The founding principle of the OIC is the acceptance of the sovereignty, independence and territorial integrity of each member state in inter-Islamic relations.

The decision-making process of the OIC works on the basis of consensus among participating member states, which is consistent with its commitment to respect national sovereignty. The OIC does not possess any power to implement its decisions, and relies on member governments to carry out its recommendations. Regarding the variety of political regimes, economic systems and ideological orientations within its membership, the shariat has different status in different member countries. The OIC does not possess a legally binding power over its members. Therefore, the OIC appears to operate within a loose structure of Islamic cooperation.

In order to overcome this problem, Saudi Arabia tried to create a legally binding framework around shariat for the implementation of OIC decisions. Toward this end, an Islamic conference was convened in Pakistan in 1976. This conference, known as the International Shariat Congress, was organized and financed by the Saudi Arabian institution Rabitat al-Alam al-Islami. At this meeting Turkey was represented by the Minister of State Hasan Aksay, the NSP member of Demirel’s Nationalist Coalition government. Following ten days of discussion, the participating member states adopted the following goals and principles for establishing a binding legal framework for the OIC around Shariat:
1- The constitutional frameworks of the Islamic countries should be restructured according to Islamic principles and the Arabic language should be spread among Muslim people;
2- Civil laws should be replaced by the Shariat;
3- Women should obey Islamic restrictions;
4- Necessary economic and political steps should be taken to establish modern Islamic states based on the Shariat;
5- At every level of educational training, Islam should be taught as a mandatory subject;
6- The five principles of Islam should be memorized by all primary school students;
7- Secondary school students must learn the entire Qur'an;
8- In order to promote these goals, Islamic educational institutions must be established in each country;
9- In order to recreate Islamic unity, all Muslim states should first recognize and accept their Islamic attributes and then establish a confederation under the guidance of a commonly elected Caliph. (Mumcu, 1994b: 174-175).

These principles and goals show that the Rabbat's main concern was the revival of Islam in the social, economic and political affairs of all Muslim countries. In a related development at the Third Islamic Summit of the OIC (1981), the member states agreed to joint investments and cooperation in trade, industry, food and agriculture, transportation, telecommunications, tourism, science and technology, energy, labour, social issues, money and finance, population and health care, and information. The three permanent committees of the General Secretariat administered these policy areas (Yesilada, 1993: 185). Among these committees, ISEDAK was designed to promote economic and commercial cooperation among members of the OIC. I will examine the OIC as a forum for Islamic economic cooperation in chapter 13.

Turkey was represented in the International Sharia Congress and joined ISEDAK in the Third Summit. It is important to note that while Turkey joined in various committees and subsidiary organs of the OIC, it did not sign the political agreements pertaining to Islamic reforms in the institutional framework of member states. The heterogeneous character of the OIC continues to be a hindrance to Islamic unification and hampers any effective implementation of common policies at the national level.

Moinuddin (1988: 108) suggests that the OIC is a unique international organization in the sense that it is based on religion functioning as a cohesive element beyond regional commitments and national ideologies. Islam constitutes a strong factor for rapprochement and solidarity among member states within a general framework of mutual consultation and cooperation. The resolution to preserve Islamic spiritual, ethical, social, and economic values does not reinforce any commitment on the part of the member states to
the Shariat. The loose framework of cooperation among Muslim states thus leaves room for bilateral relations. The flexible structure does not set up the OIC as a supranational entity nor create the foundations of an economic community. Rather, the OIC establishes an inter-national forum of consultation and cooperation among Muslim states.

Nevertheless, it could be argued that the Charter of the OIC may be changed in the future. The main goal of the political agreements of the International Shariat Congress of 1976 is to transform the institutional framework of member states by a series of Islamic reforms. The radicalization of political Islam at the national level of member states may introduce a significant change of attitude towards the principles of the OIC Charter. This would enable greater Islamic unification around the OIC. Also, the OIC would be transformed from being a loosely organized forum of inter-Islamic cooperation and consultation to an entity similar to the old Islamic institution of Caliphate, a supranational body of a unified “ummah” or Islamic community. Nevertheless, at the present time, the OIC provides the basis of inter-Islamic cooperation and consultation at a level which is moving towards further economic, political, social and cultural cooperation. In Chapter 13, I will focus on the case of Turkey and the various strategies and plans taken by the OIC and its subsidiary and affiliated organs for the promotion of economic cooperation.

11.5. Conclusion

The impasse over Cyprus caused much resentment in Turkey. In addition to the effects of economic recession in Europe on the Turkish economy, the Cyprus dispute also gave rise to a number of new disputes in Turkish-EEC relations. For Turkey, by far the worst consequence of the Cyprus dispute was the strained relations with the United States, notably the congressionally imposed embargo on military aid and weapon sales to Turkey, from 1975 through 1978. The pressures from both the American Congress and the EEC, however, did not have the intended effect of forcing Turkey to withdraw from Cyprus. In fact, both the American arms embargo and European policy of isolating Turkey in economic and political terms destroyed all possibility of reaching a solution over Cyprus within the NATO alliance structure. Far from giving in to American-European pressures, successive Turkish governments of the period, regardless of their political-ideological orientation, retaliated by developing closer economic, political and military
ties with Muslim states of the Middle East and the Soviet Union. Consequently, the new Turkish foreign policy saw a broadening of its policy options through a diversification of its economic and political relations. It maintained its status as a full member of NATO (since 1952) and as an associate member of the European Economic Community (since 1964) while, at the same time, becoming a member of the Islamic Conference Organization in 1972. It also cultivated a rapprochement with the Soviet Union.

Turkey’s rapprochement with both the Soviet Union and certain Middle East states gave rise to a strategic environment in which Soviet-Middle East relations were carried out. However, Soviet-Middle East rapprochement was far from forming a solid Soviet-Middle East alliance. Depending on their changing assessment of the current or prospective regional balance, countries such as Egypt, Iraq, Saudi Arabia and Libya played off the Soviet Union against the perceived or real threat of Western imperialism and Israeli aggression. Muslim politics formed within the context of this changing assessment of Western imperialism and became part of a quest for an independent and autonomous source of power in the region. Popular ideologies such as Muslim-Arab unity against “Western imperialism and Israeli aggression”, as well as the emergence of the OIC, undermined the Cold War bipolar division of states between East-West political affiliations in the Middle East.

The OPEC oil price increases of the mid-1970s triggered a massive influx of money. This increased both the import of arms, mainly from the Soviet Union, and gave rise to new centres of power, chiefly Saudi Arabia and Libya. It could be argued that the oil boom set in motion the process that gave rise to Islamic politics. But the resurgence of Islam in general Middle East politics was rooted in the defeat of Arabs, first in 1967, and later in the 1973 Arab-Israeli war. The loss of the holy city of Jerusalem in the 1967 war saw the weakening of Nasserist Arab nationalism’s ability to solve Arab problems. Thus, Islam became a unifying ideology. Even though there is no monolithically anti-Western Islam, the Soviet Union tried to mobilize Islamic sentiments in order to create a challenge to the international order of the 1970s. This strategy was especially clear after President Sadat adopted a pro-Western attitude in his dealings with Israel. The Soviet call for Islamic unity and/or some form of Islamic bloc encouraged many Muslim intellectuals to call for an Islamic strategy of national economic and strategic planning - one which could counter Western influences on Muslim societies. However, the Islamic revolution in Iran occurred without
Soviet involvement, although the Soviet Union supported the Iranian revolution by virtue of its anti-Western stance. At this critical juncture, there is little to suggest that the rise of Islamic sentiments during the 1970s was leading to the reordering of international relations through the formation of an Islamic bloc. Nonetheless, it was within the context of Soviet-supported Islamic politicization (during the 1970s) that many Muslim intellectuals began to call for an Islamic national strategy poised to counter the Westernized model of "development". The following chapter will examine this new revitalized role for Islam in the domestic politics of Turkey.
XII. THE RISE OF MUSLIM POLITICS IN TURKEY: THE 1970s

From the Tanzimat period of the Ottoman Empire to the end of the 1970s all Turkish governments shared the same goal of economic development. With the exception of the Tanzimat reformers, development came to be synonymous with industrialization. At the same time, they all grappled with one difficulty inherent in the very meaning of the concept: it was national. This difficulty was rooted in the challenge of reconciling the desire for industrialization with the larger relations of the world economy and state system.

The present chapter argues that the changing world of the 1970s, which was altered so profoundly by economic recession in Europe and detente between the U.S and the Soviet Union, created new pressures on the dynamics of domestic politics. By the mid-1970s it became clear that the political alliance between large private industrialists and urban labour, which the military coup of 1960 tried to build, was no longer strong or united. Nor did they have a well-articulated political culture that would have been linked to the Kemalist principles of the state. Thus, the period of the 1970s in Turkish politics witnessed ever shifting political alliances and constant political tension over economic policy. The deterioration of Turkey's relations with the U.S and EEC countries sharpened grievances among classes and between various social groups - small producing peasants, medium-small size and large segments of private industrialists, commercial groups, urban marginals and workers. Moreover, several potent political cultures of opposition - notably Islam, the secular center right and varieties of leftist ideology - were elaborated. These developments set the stage for the rise of a pro-Islamic political party as the power broker in the coalition politics of the 1970s.

The articulation of new political cultures of opposition provides a crucial element in the rise of Islamic political opposition to the Kemalist ideology of the state. The emergence of a new version of the populist multi-class alliance can be discerned through a study of several cultures of opposition, the organizations that espoused them, and the underlying rifts between classes and groups that fed them.

In my endeavour to explain politics, I am concerned not only with industrialization and the economy but also with ideology and the strategic-military relations of the state system. The present chapter
will take up the effects of the complex interplay between the industrialization strategy and foreign policy of Turkey over the emergence of various political projects and economic interest groups. It was during the late 1970s that these groups came together to make possible the rise of Islamic politics. This chapter will discuss how Turkish domestic politics was shaped in relation to the change in Cold War politics. Particular attention will be given to what this profound change tells us about the rise of Muslim politics in a secular state. I will argue that the Muslim politics incorporated into the state during the 1950s became important as the framework of Cold War alliances dissolved. Shifting alliances in domestic politics, along with Turkey’s economic and political-military rapprochements with Muslim states in the Middle East and the Soviet Union strengthened Islam within the state.

12.1. Conflicts Between Regions and Capital Groups

The Turkish private sector of the 1960s and 1970s was comprised of five major interest groups. These included agricultural interests, commercial interests, commodity brokers, industrialists, small artisans and shopkeepers. Agricultural interests were organized within the Union of Agricultural Chambers (Ziraat Odalari Birlici). Artisans, shopkeepers and some of the self-employed were organized within the Confederation of Tradesmen and Artisans (Turkiye Esnaf ve Sanatkarlar Derneklari Konfedersasyonu). Commercial groups, commodity brokers and industrialists were organized into the Turkish Union of Chambers (Turkiye Odalar Birlici - TOB)\(^1\) (Bianchi, 1984: 134-138). These private organizations were all quasi-public. There were also private capitalist organizations. The TUSIAD (Turkish Industrialists and Businessmen Association) and the TISK (the Turkish Confederation of Employers’ Union) represented the largest of the industrial and commercial interests, though they represented only a small fraction of industrialists.

These quasi-public organizations were the main vehicles for the import substituting industrialization strategy in coalition politics during the 1960s and early 1970s. As discussed in Chapter X,

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\(^1\) The Law 5590 which was enacted in 1950 provided the basis for the organization of the TOB (Saybasili, 1976: 84-85; Giz, 1966). The TOB was designed to be an umbrella organization for the regionally organized (rather than trade or industry branch basis) chambers of commerce and industry, and the commerce, industry and commodity exchanges (Oncu, 1980: 457-460).
the industrialization strategy was based on capital goods imports which were to be sustained by the continued flow of foreign exchange. Since the plans foresaw very slow growth in exports, Turkish planners relied on the official lending agencies, governments and workers' remittances to provide the foreign exchange necessary for imports. The State Planning Organization (SPO) was the main vehicle in the administrative allocation of foreign exchange among the various segments of private capital. The quasi-public organizations of the private sector established the contacts between government functionaries of the SPO and private sector representatives. The close cooperation between these organizations and the SPO determined "who gets how much and why".

TOB was the official representative of industrialists, commercial interests and commodity brokers (Saybasili, 1976: 87-94). It was also an administrative organization responsible for implementing government economic policies within the private sector. The contacts between the TOB and the SPO created the basis for the convergence of interests between private industrial interests and bureaucracy. The TOB's official role included the preparation and distribution of government-set import quota allocations between industrialists and commercial importers via its constitutive chambers of commerce and industry. The TOB was also responsible for monitoring and verifying the import prices claimed by importers (Saybasili, 1976: 86). This function, which was abolished in 1962 but returned to the organization in 1971, gave the TOB the right and power to control imports. The TOB reports on the capacity figures and import needs of the individual enterprises were the basis for the government allocation of foreign currency and credits.

The allocation of scarce foreign currency determined the division of interest within the private sector. When workers remittances ended, the availability of foreign currency was extremely tight. Government allocation of scarce foreign exchange generated competition among the various private sector groups seeking to influence government policies (Eralp, 1990). As various private sector groups attempted to influence government policy, the struggle over the allocation of scarce resources became an important part of political conflict during the 1970s. Industrialists were in favour of continuing protection; their main

2 Although the quota allocations were suspended in 1971, the practice regarding capacity reports continued to be practised in the hands of the chambers.
competitors were private commercial capital (TOB, 1978). Among commercial interests, importers were threatened the most by the protective industrialization strategy. Since the Istanbul Chamber of Commerce (ITO) contained the largest group of importers, the importers’ opposition to protection was centered in Istanbul. The Anatolian commercial groups, on the other hand, were not engaged in foreign trade, but in domestic commerce. Therefore, they welcomed the nationalist-protective strategy (Barkey, 1990: 115). Anatolian industrialists advocated intermediate and capital goods production as opposed to consumer durables production (Zeytinoglu, 1981: 31), which was carried out mostly by the assembly industries in the Istanbul region (Hic et al., 1973: 121).

Anatolian commercial groups and industrialists were the strongest supporters of state protection. In 1975, when Prime Minister Demirel criticized industrialists for disregarding export possibilities and increasing their competitiveness in external markets, the Eskisehir Chamber of Industry (one of the best organized Anatolian chambers) responded by claiming that Turkish industry was incapable of surviving competition without protection (ESO, 1981: 233-234 Quoted in Barkey, 1990: 115). At issue here was the effects a customs union with the EEC would have on privately-owned industries. Anatolian industrialists argued that within a custom union Turkish industry would not be able to survive European competition. The Eskisehir Chamber of Commerce stated that they would do everything in their power to prevent such a union between Turkey and EEC. The Anatolian Chambers of Commerce lobbied strenuously against removal of the import restrictions and customs duties required by the 1970 Brussels Protocol of Turkey’s accession to EEC.

Large industrialists from the Istanbul region were involved in the production of consumer durables for domestic markets in assembly industries. They were assembling imported capital goods, produced largely in EEC countries (Akgul, 1976), and favoured a more open import regime while opposing protection. The Anatolian industrialists, however, were opposed to government allocation of scarce resources to the large industrialists of the Istanbul region, who produced consumer durables in partnership with foreign industrialists of the EEC. As is evident from Table 1, which provides data from 89 industrial firms in the assembly industry, 42 per cent of the total capital of the firms in the assembly industry belong to foreign capital groups. The ratio of imported goods in their production was very high (38 %). They were
also earning very high profits.

Table: 10. The Assembly Industry, 1973 (%)

<p>| | |</p>
<table>
<thead>
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<tbody>
<tr>
<td>Profit (as a percentage of total capital)</td>
<td>37</td>
</tr>
<tr>
<td>Imports (as a percentage of production inputs)</td>
<td>38</td>
</tr>
<tr>
<td>export (as a percentage of production value)</td>
<td>03</td>
</tr>
<tr>
<td>Foreign capital (as a percentage of total capital)</td>
<td>42</td>
</tr>
</tbody>
</table>


According to Akgul (1976: 13), the number of credits allocated by the government to large industrialists in 1973 was equal to 44 per cent of their total capital (foreign and domestic capital combined). It was the allocation of scarce credits and foreign exchange for the support of imports and production which the Anatolian industrialists opposed. They believed that government support of foreign firms operating in Turkey through joint ventures with large Turkish industrialists discriminated against smaller size Turkish firms.

The divergence of interests was further accentuated in the mid-1970s through changes in the banking system. The banking system in Turkey was set up by the state to finance public and public-approved economic activity. State banks owned more than double the total assets of privately-owned banks, and 70 per cent of the total assets of the financial system were held by public institutions (Fry, 1972: 36-38). However, in the mid-1970s banks were allowed to participate in industrial and commercial activities. This was due to a policy decision to increase credit availability to the private sector. Yet it also sharpened the conflict of interests between commercial and industrial interests. Before this arrangement, banks were providing credit for mostly commercial interests. The Istanbul Chamber of Industry (ISO), for example, argued in 1972 that banks discriminated against private industrialists by providing them with high interest loans and a small number of credits. According to the ISO, bank credits to industrialists accounted for only 39 per cent of savings deposited in banks (Gevgili, 1973: 462).

Prior to 1973, banking laws prohibited banks from lending more than 10 per cent of their capital to any firm. But in the mid-1970s banks were allowed to lend unlimited sums to a firm if it owned more than 25 per cent of the equity holding of any firm (Oncu, 1980: 472). The outcome was that individual holding
corporations came to control the banking industry (Tekeli and Mentes, 1978: 16-45). Most of the holding corporations were members of large industrialists represented by TUSIAD. This increased the conflicts among the private industrialists since banks owned and controlled by holding corporations limited or eliminated bank credits to small-medium sized industrial companies, including small manufacturing workshops and artisan shops (TIB, 1978: 109-126).

The diversification of interests between large holding corporations and small-medium sized industrial firms was translated into a political conflict between the Istanbul and Anatolian chambers. As illustrated in the table below, the Marmara region had the greatest percentage of large industrial corporations and the largest percentage of corporate turnovers in Turkey. In the distribution of corporations and turnover, Istanbul held the most privileged position and, therefore, received the lion’s share of foreign exchange and credits. This was the main source of conflict between Anatolian and Istanbul industrialists.

Table: 11. Distribution by Region of the 421 Largest Private Industrial Corporations, 1980 (Excluding public sector industries which amounts to 79 of the total 500 largest industrial firms)

<table>
<thead>
<tr>
<th>Region</th>
<th>No of firms</th>
<th>% of firms</th>
<th>% of turnover</th>
</tr>
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<tbody>
<tr>
<td>Marmara</td>
<td>283</td>
<td>67.2</td>
<td>70.3</td>
</tr>
<tr>
<td>Istanbul</td>
<td>253</td>
<td>60.1</td>
<td>61.7</td>
</tr>
<tr>
<td>Aegean</td>
<td>65</td>
<td>15.4</td>
<td>11.6</td>
</tr>
<tr>
<td>Mediterranean</td>
<td>29</td>
<td>6.9</td>
<td>10.3</td>
</tr>
<tr>
<td>North Central</td>
<td>34</td>
<td>8.1</td>
<td>6.5</td>
</tr>
<tr>
<td>South Central</td>
<td>9</td>
<td>2.1</td>
<td>1.4</td>
</tr>
<tr>
<td>Black Sea</td>
<td>1</td>
<td>0.2</td>
<td>0.0</td>
</tr>
<tr>
<td>East Central</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Northeast</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Southeast</td>
<td>-</td>
<td>-</td>
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</table>


The policy cleavage between small/medium size firms and large industrial companies was a function of the unequal distribution of credits which discriminated against smaller firms. Smaller firms were the most widespread in Turkey’s manufacturing industry (The Chamber of Architects, 1978; The National Productivity Center, 1973). The number of small and medium size industrial corporations employing less than 50 workers rose from 93 per cent of the total number in 1963 to 98.1 per cent in 1968. These firms employed more than 30 per cent of workers in the manufacturing sector. The number of small
firms employing less than 10 workers also increased from 158,000 shops in 1963 to 170,000 in 1970 (Keyder, 1987: 176). The number of large industrial firms, however, comprised only 1.9 per cent of total manufacturing corporations and employed 69 per cent of workers (National Productivity Center Report. 1973: 12-13).

In spite of the overwhelming dominance of small firms as compared to the total number of industrial manufacturing corporations, they received a very small portion of bank credit. Small manufacturing firms received only 2.7 per cent of total bank credits in 1974 (TIB, 1978: 112), although they carried out 25 per cent of total industrial production and 88.3 per cent of the total manufacturing of footwear, other wearing apparel and textile goods (TIB, 1978: 118-119). 2.7 per cent of credits allocated to small manufacturing in 1974 represented only a 1.5 per cent increase from the 1963 level. The increase in the credit rates of other industrial firms was 11 per cent. This rose from 18 per cent in 1963 to 29 per cent in 1974, while agricultural and commercial credits either declined or remained stagnant over the same period (TIB, 1978: 112, 117).

The TOB was an umbrella organization for the commercial and industrial private sector. During the 1970s, the government allocation of scarce foreign exchange had generated fierce competition among various private sector groups within the TOB. Intra TOB conflicts rose on a regional and size base, as a conflict between Istanbul and Anatolian interests as well as between large industrialists and small-medium size industrial and commercial interests. Large private industrialists, who were mostly engaged in consumer durables production located in the Istanbul region, were opposed to the dominance of commercial interests and medium/small industrialists in the TOB. As a result, different interests groups within the TOB began to establish their own distinct organizations.

The intra-TOB conflicts were evident from the early 1970s, when large industrialists broke away from the TOB and established the TUSIAD in 1971. The TUSIAD was established as a result of large Istanbul-based industrialists' dissatisfaction with the TOB. In contrast to the quasi public status of the TOB which hindered its ability to participate in overtly political activities, TUSIAD was established as a private

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3 The People's Bank (Halk Bankası) was the only source of credit supply for the small industrial enterprises. The People's Bank defined small manufacturing firms as those employing 5-25 workers (TIB, 1978: 115).
organization with the ability to involve itself in politics. The establishment of TUSIAD had far-reaching effects, not only on the government allocation of foreign exchange, but also on the general economic policy of governments.

Both the rise of intra-TOB conflicts and the establishment of TUSIAD resulted in the loss of cohesiveness in state industrial policies (Cumhuriyet Newspaper 8, 11, 19 April 1979). Toward the end of the 1970s when foreign exchange shortages pushed the economy into crisis, TUSIAD proposed a policy alternative. It advocated a move away from protection in favour of export promotion by adopting a more realistic exchange rate policy and the devaluation of Turkish Lira (Cumhuriyet Newspaper April 8, 11, 19, 1979; Tuzun, 1981: 13). This was in opposition to the interests of the ISO and Anatolian industrialists who preferred protection. As balance of payment difficulties squeezed industrial profits, especially after the 1973 oil crisis, the issue of customs union with the EEC became a major source of political contention among the various segments of private industrialists. Even originally pro-European chambers such as the Istanbul Chamber of Industry began to oppose a customs union. The view that there might be possible detrimental effects from a customs union on Turkey’s industrialization was also shared by bureaucrats in the SPO who came to regard union with Europe as a threat to economic independence (Eralp, 1990: 247). The opposition of the Anatolian Chambers of Industry and resulting political pressures on the government caused the then Prime Minister Ecevit to freeze relations with the EEC in 1976.

The interest cleavage between the large and small-medium size industrialists over import substituting versus exporting industries - was a complicated one, since large industrialists (or holding companies) were both importers and exporters (Oncu, 1980). Some of the holding companies were oriented towards production for domestic markets and favoured protection, while others were engaged in export-oriented industry and favoured openness in trade regime. These conflicts, which resulted in the establishment of TUSIAD in 1971, were evident since the late 1960s. For example, the Aegean Chamber of Industry President, Sinasi Ertan, supported customs union with the EEC to increase Turkey’s foreign currency earning capacity. He blamed the political domination of importing industrialists in the TOB for all the economic and political crises affecting Turkey (May 28, 1969 Cumhuriyet Newspaper). He was critical of the distribution of bank credits to them since they were not earning foreign exchange through exporting
their final products. On the other hand, Vehbi Koc, the leading import substituting industrialist, argued for the distribution of credits in favour of import substituting industrialists who produced for domestic markets. Koc was not against EEC membership, but supported protection. He defended the credit distribution system by asserting: “KOC Holding saves a lot of foreign exchange by producing FIAT cars in the country” (Quoted in Barkey, 1990: 117).

This conflict between large industrialists became clear when the economic integration agreement between Turkey and the EEC was signed in 1970. The Brussels Supplementary Protocol of 1970 required Turkey to liberalize its trading regime and increase exports to EC markets in order to finance imports. The EEC reduction in custom duties to a number of industrial commodities imported from Turkey opened up export opportunities for those industrialists who produced textiles, leather, hide products and processed food. Thus, the industrialists who opposed custom union with the EEC were those who engaged in production for domestic markets.

The conflict of interests was evident within large industry between exporters and importers. TUSIAD, which represented the largest Istanbul-based holding industrial interests, began openly lobbying for an open trade regime, integration with the world market and promotion of exports. Faced with difficulties in exporting to EEC countries, their aim was to enter into the markets of the Middle East. Through TUSIAD, large industrialists became more effective politically. TUSIAD was strongly supported by Koc, Sabanci and other large scale holdings. TUSIAD served as a collective force far more powerful than the sum effectiveness of its members. In this way, large capitalists obtained a voice in the economic and political arena of Turkey during the late 1970s. The press campaign initiated by the TUSIAD in 1979 against the RPP government was the clearest example of TUSIAD’s political activism (Ilkin, 1993).

In 1979 TUSIAD publicly criticized the RPP government by placing an advertisement for about a week in a number of leading daily newspapers. The ad entitled “A Realistic Way Out” listed a number of problems facing the Turkish economy: lack of exports, shortage of foreign exchange, shortages in energy supply, unemployment and rising inflation. In that advertisement TUSIAD defined the government as being incapable of solving Turkey’s economic problems and stated that excessive state intervention was the source of these problems. The government was accused of weakening free enterprise in the economy. As
opposed to the statist policies of the RPP, TUSIAD defended the idea that an open market economy and free enterprise needed to be supported, as the engine of economic growth.

This declaration by TUSIAD was fully endorsed by the Turkish Confederation of Employers’ Union (TISK). TISK was the main body of large private industrialists that challenged wage demands as well as the growing power of trade unions. According to TISK, it was the worker’s increased power that was responsible for both inflation and political instability in the country. TISK blamed the RPP government for incorporating the demands of workers and radical trade unions in the running of the economy.

According to TUSIAD and TISK, large industrialists and commercial groups were discriminated against by the government, which favoured smaller firms and those who produced solely for domestic markets. They claimed that export-oriented large industrialists were allocated less local currency for the dollars they earned from export and that their dollar earnings were allocated to importing interests through the existing credit allocation system and overvalued exchange rate policy. They also argued that the existing wage policy was a hindrance to increasing private sector profits and, therefore, private industrial investment. TUSIAD and TISK demanded a substantial decrease in wages, which had reached their highest level at the end of 1970s, due to the fact that trade unions were granted the right to collective bargaining and strike after the 1960 military coup⁴. As Table 3 illustrates there was an increase in wages in value added during the years preceding 1980, the year of the military coup. The increase in wages demonstrates that organized labour was successful in resisting the industrialists’ desire to transfer the costs of production on to them through a reduction in wages. This is what TUSIAD and TISK were arguing against.

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⁴ The Law 5018, entitled Law on the Employees’ and Employers’ Unions and Union Associations of 1947 was the beginning of trade unionism in Turkey. This law was an important step forward after the 1925 Law on the Establishment of Public Order (Takrir-I Sukun Kanunu) banned all kinds of labour activity. The Law 5018 of 1947, however, did not grant the right to strike and collective bargaining. The year 1963 was, therefore, was the beginning of real unionization in Turkey since the unions were granted the right to strike (P.L 274) and collective bargaining (P.L 275) (Mumcuoglu, 1980: 382-383).
However, labour wage increases do not reflect a homogeneous picture. Public sector wage increases were higher than those in the private sector. At the same time, there was also a differentiation in wages within private industry between large industries and small-medium size industries (Bademli, 1978: 17-27). By reference to the differences in unionization and wage levels within the private sector, both TUSIAD and TISK argued that high wages were weakening the ability of large industrialists to grow and compete in external markets, while small-medium size industries were in a more favourable position. This view was also shared by the Istanbul Chambers while but rejected by the Anatolian Chambers which represented smaller size industrial firms.

In state-owned and large private industrial firms, labour was highly organized, well paid and also benefitted from job security. The rate of unionization rose from 10.8 per cent in 1963 to 46 per cent in 1977 (SPO. Third Five Year Development Plan: 81; SPO, 1977 Annual Program: 323). In smaller firms, on the other hand, wages and unionization rates were low. In 1971, the average wage in small non-unionized firms employing 10 workers or less was around 40 per cent of the average wage in unionized large firms employing 100 or more workers. The average wage in firms with 10-50 workers was 50 per cent higher than the wage in firms with less than 10 workers (Keyder, 1987: 175).

In addition to the “problem” of wages, large industrialists also argued that their capacity to produce was adversely effected by the number of labour disputes. From 1977 to 1980 the intensity of labour disputes reached an unprecedented level. The data on strikes, days lost and the number of workers involved are inaccurate because strikes extending beyond the calendar year were not included. In 1977, for example, there were 59 strikes, according to official statistics, and 1.4 million work days lost. According to the Turkish Confederation of Employers Association (TCEA), the figures were 51 and 3 million, respectively.
The TCEA data includes the very long strike in the metal trade industry which was not included in official statistics (World Bank, 1980: 142). The number of work days lost to strikes in the three years preceding the 1980 military coup was three times greater than the number of strike days between 1973 and 1976 (Keyder, 1987: 191-192).

The increased number of labour disputes was a function of the political radicalization of trade unions after the mid-1970s (Sulker, 1975; Isikli, 1992). The TUSIAD newspaper advertisement of 1979 blamed the RPP government for the increasing politicization of trade unions. The political goal of leftist trade unions, according to TUSIAD and TISK, was, first, to weaken and, then, to abolish the free-enterprise economy. The Turk-Is (Turkish Trade Unions Confederation) was the largest in Turkey, with a membership of approximately 1 million workers. Turk-Is, established in 1952, had initially maintained an "above politics" approach to labour issues. However, during the late 1960s and especially after the mid-1970s Turk-Is adopted a democratic leftist stand. The shift in ideology of the RPP first to a "left of center" stand in 1966 and later to a "democratic leftist" ideology during the early 1970s had a major influence on the spread of the social democrat movement in Turk-Is. The rise of social democrat ideology within Turk-Is led to the establishment of DISK (Confederation of Revolutionary Workers' Union) in 1967 by a group of leftist unionists who broke away from Turk-Is. After DISK was formed, trade unions began approaching labour issues from an increasingly broader political perspective. DISK, with a membership of approximately 600,000, was particularly strong in the metal trade industry. Moreover, MISK (confederation of Nationalist Workers' Union) and HAK-IS (pro-Islamic trade union) were also established after the mid-1970s as a reaction to the rise of social democrat ideology within the trade union movement. These groups were also active in the radicalization of trade union activities. As compared to DISK, however, they were organized on a smaller scale and their influence in labour-capital conflict was minimal. TUSIAD then was opposed to leftist trade unions organized within both DISK and Turk-Is rather than those of MISK and Hak-Is.

Large industrialists of import substituting industries supported both TUSIAD and TISK in their very critical view of RPP economic policies and particularly of the strength which trade unions had acquired. Istanbul Chambers of Commerce (ISO) and Istanbul Chambers of Industry (ITO) agreed with the
main points of the TUSIAD advertisement, but they did not fully support TUSIAD. The large import
substituting industrialists who imported their own inputs, and commercial groups and medium-small size
industrial interests, who were dependent on them in the supply of inputs, were opposed to a shift in
economic policy toward an export-oriented one. Their interests converged on the issue of a protectionist
regime. They constantly lobbied the government to continue a policy of protecting industry. Nevertheless,
the convergence of their interests was not total. Anatolian Chambers, especially that of Eskisehir and
Gaziantep, rejected the TUSIAD diagnosis. Instead, they argued for an indigenous form of "development".
This opposed the large import substituting industrialists’ position in the economy, who had developed
closer ties with foreign capital groups in their joint investment ventures.

As the conflict of interests increased and the private sector became more and more divided over a
variety of issues, it became increasingly difficult for the ruling political party, or any political party, to
articulate and maintain a specific position over the private sector. These conflicts and interest divisions set
the stage for a link between economic demands and the political articulation of opposition around the
issues of Islam and nationalism. I will examine the articulation of an Islamic culture of opposition in the
following sections by reference to ideological conflicts between the various political parties.

12.2. The Break-Up of the Multi-Class Populist Alliance of the JP

The scarcity of foreign exchange resulting in economic crisis in Turkey after the mid-1970s was
the cause for the rising conflicts and interest divisions within the private capitalist sector. This period saw a
break-up of the social coalition of various private capital groups which had sustained the industrialization
strategy from 1954 to the early 1970s. No dominant capital group emerged from this break-up. Although
TUSIAD became politically vocal in proposing an export-promoting strategy in 1979, it was not a
dominant group within private capital. With the break-up of the social coalition of an industrialization
directed to the internal market came the fragmentation of a unifying political framework for a stable
political competition. The near-disintegration of the Justice Party in 1973 was an indication of this
fragmentation. The Justice Party could no longer hold a populist ideology based on the unity of private
capital interests. The pro-Islamic National Salvation Party (NSP) emerged out of the Justice Party.
After its victory in the 1950 elections the DP developed a populist ideological structure through the economic incorporation of small-producing peasants. After the military coup of 1960, and the banning of the DP, its populist theme was inherited by the Justice Party (JP) - founded in 1961. Under the leadership of Demirel, who became party leader in 1964, the JP sought to reestablish former DP support by recreating the anti-bureaucratic coalition the former DP had successfully created against the RPP. The JP was the link in establishing the continuity in populist themes between the DP of the 1950s and 1980. It was successful in recreating the DP’s populist theme in defense of a platform of economic incorporation of peasants, small producers and various segments of private capital.

The JP was in power from 1965 until the 1971 military coup, and during most of the 1970s, except for 1973-1974 and 1978-1979, during which the RPP formed the government for about a year in total. Hence, the JP played a major role in shaping and implementing the industrialization policies of the late 1960s and 1970s, an industrialization directed toward the internal market within a populist ideological climate. The JP continued with the former DP’s populist rhetoric of anti-elitism and anti-statist economic projects. The overwhelming dominance of small-medium size private industrialists and rural producers combined with the relative weakness of the large private capitalists reinforced the JP’s populism as the major ideological factor in Turkish politics. That is, the predominance of small producers in the economy was a factor which underlined the persistence of populism in the ideological history of the 1960s and 1970s.

The populist ideology of the JP, as was that of the former DP, was based on the desire to build an industrial economy through the collective efforts of small producing peasants and private capitalists acting through the state. Given the absence of any dominant group within the private industrial sector, the JP’s populism appeared to represent the interests of private capitalists as a whole. The JP was not ideologically equipped to deal with the increasing conflict and diversity of interests among the private capitalists. The JP also became increasingly incapable of dealing with the radicalization of trade union activities and the rise of labour-capital disputes. The increasing factionalization and diversity of interests within the private capitalist sector between large and small-medium size interests, between importers and exporters, and between Istanbul-based and Anatolian based industrialists provided the basis for the break-up of the
coalition politics which the JP could not incorporate into its national-popular agenda.

These conflicts within the private sector began to appear during the late 1960s and early 1970s when the JP government was trying to adjust the protective trading regime towards a more open one. Integration measures consisted of tariff reductions. With the 1970 Brussells Supplementary Protocol, the JP government agreed to move rapidly to complete the preparatory stage of Turkey's integration. However, there were already signs that the EEC's growing protectionism and the Mediterranean enlargement policy had created a more difficult competitive environment for Turkish exports (both agricultural and industrial). It became more difficult for Turkey to obtain trade concessions from the ECC for its agricultural and industrial export products. By the time the 1970 Brussells Protocol was signed, these difficulties were exacerbated by the introduction of more products from other Mediterranean countries within the EEC. As a result, EEC, in moving towards greater community self-sufficiency, had reduced export opportunities for Turkey, which had only non-member state status. However, both the private industrialists and the SPO began to emphasize the potential negative impact of EEC membership on Turkish industrialization. Large industrialists based in Istanbul were supportive of EEC integration (they supported the Ankara agreement of 1964). Although they were sceptical of the custom union stipulated in the 1970 Supplementary Protocol (particularly import substituting industrialists), the TUSIAD, which represented the largest holding interests, was supportive of EEC integration. However, small industrialists were totally opposed to it. The tension in Turkey's national industrialization strategies between protective policy and greater openness began to increase. The JP government found it more and more difficult to maintain a specific economic strategy over private capitalists. A political crisis arose in the JP's social-populist coalition; its populist ideology which claimed to incorporate all sectors of private capital and small producing peasants into a national platform was challenged.

The policy cleavages between the small/medium and large sized corporations as well as region based economic interests were consolidated into a political platform when pro-Islamic Necmettin Erbakan was elected to the leadership of the TOB in 1968. In 1970 Erbakan became the chair of the pro-Islamic National Order Party (NOP). (This party will be discussed in the following section). Erbakan argued in 1969 that the TOB became an instrument to pursue before the government the interests of a "comprador-
Masonic minority” centered in Istanbul as opposed to the majority small and medium size Anatolian industrialists and commercial groups (Cem, 1978: 359). Erbakan defined the large industrial and commercial holdings of Istanbul region as “comprador”. He maintained that the “comprador” interests of Istanbul were serving the interests of external capital groups against national economic interests.

Erbakan stated that his reason for entering into the executive committee of the TOB was to change the policies of the TOB in such a way that they would favour Anatolian interests and not the large industrialists of the Istanbul region. He explained his rationale in the following way

“... The savings and deposits in the Anatolian banks of the Anatolian population were distributed among ... the comprador-Masonic minority as credits ... In order to change this system of credit allocation, (he thought) first to enter into the executive committee of the TOB and transform it from within to be in the service of the Anatolian merchants and industrialists.” (Cem, 1970: 57 Quoted in Saribay, 1985: 98-99).

According to Erbakan, the EEC was founded by certain European states in order to revive former European colonialism within post WWII conditions of the world economy. Tariff reductions and other integration measures which were put forward as part of the EEC Mediterranean expansion policy towards Mediterranean Africa and Turkey were new methods of old European imperialism. Moreover, according to Erbakan, the EEC was not only an economic union but an organization which stipulated political union among member states. Hence, if the EEC integration program was pursued, Turkey would give up its independent decision-making power over its national economy, and its domestic and foreign policy, thus becoming a “colony” of Europe. The large industrial and commercial interests of the Istanbul region would be the collaborators in such a result (Erbakan, 1972). For Erbakan, Anatolian industrialists and commercial groups required the support of government. Once strengthened, they would provide the economic foundation for national economic independence. In addition, Erbakan demanded closer economic ties with the Middle East countries rather than the EEC.

Erbakan’s belief that the TOB was an instrument of large industrial and commercial interests, and his opposition to EEC membership was also shared by social democrats. Both pro-Islamists and the social democratic left appeared to be supportive of small-medium size Anatolian interests against the large industrialists’ domination within the TOB. Erbakan’s opposition to the Istanbul-based large industrialists was articulated by the Social Democrat President of the Eskisehir Chamber of Industry, Zeytinoglu. For
Zeytinoglu, the difference between the Istanbul and Anatolian industrial capital groups was the former's close and direct relations with Western European capital groups. The problem with this situation, according to Zeytinoglu, was that Anatolian small industry became dependent in their production and consumption on the merchants of Istanbul and Izmir (Zeytinoglu, 1981: 121). Thus, both pro-Islamic Erbakan and social democrat Zeytinoglu demanded the political articulation of a new economic strategy that would mobilize “indigenous” sources of the economy. They saw this indigenous base in the Anatolian industrial and commercial groups which had limited or no links to external capital.

In summary, through the rising grievances of classes and groups the multi-class populist alliance of the JP entered into crisis by the early 1970s. But there was no dominant group among private capitalists. The 1971 military coup tried to end the interest cleavages among private capitalists. It was also an attempt to change the government’s economic policies in such a way that large industrialists would be favoured. The military tried to impose an economic policy in order to shift the balance in the JP’s populist economic policies in favour of large industrialists. It tried to do so by: 1- expanding bank credits to large industrialists; 2- imposing restrictions on the unionization of labour and prohibiting strikes; and 3- increasing the purchase price of industrial products to a level higher than agricultural purchase prices (Keyder, 1992: 68-69). The aim was to make large industrialists dominant within private capital. This involved a redefinition of economic strategy as one directed at promoting exports.

When the military coup took place in 1971, the military hoped to synchronize Turkish economic strategies with the requirements of economic integration in the EEC. They hoped that the inflow of workers’ remittances would enable Turkey to establish an export-oriented strategy. However, economic recession in Europe ended both the workers’ migration to Western Europe and workers’ remittances. Thus, the available foreign exchange was scarce. At the same time, within the broader political context of detente and the Cyprus War, Turkey was marginalized in international politics. Turkey’s bargaining power for negotiating loans was therefore impaired. By 1975 Turkey was in economic crisis, and no government was politically strong enough to reinforce the economic domination of large industrialists. As the major political party of the center-right, the JP, was reluctant to antagonize small-medium size commercial-industrial and rural interests although it favoured the promotion of export-oriented segments of large
private industrial capital. Both the pro-Islamic and the Left of Center (RPP) political parties argued against the existing ties between foreign capital and large capital groups in the Istanbul region, in favour of small industrial producers. Moreover, a number of radical trade unions, student protests, and social grievances in the countryside, as well as the parliamentary struggles all merged into a form of social discontent which prevented the ruling political party from initiating a campaign to establish a new version of multi-class alliance. The democratic left and Islam emerged out of the early 1970s to elaborate their own alternative political cultures of opposition against the JP’s populism.

12.3. The Articulation of a Democratic Left Culture of Opposition: The RPP.

The RPP went through a major change in its ideological orientation after 1964, and between 1965 and 1972 it emerged as a left of center party. This shift in party outlook was greatly influenced by then Prime Minister Inonu. His frustration with the U.S during the Cyprus crisis of 1964 was decisive in the RPP’s adoption of a multi-faceted foreign policy, including rapprochement with the Soviet Union. (The RPP was in power when the Cyprus crisis occurred) This shift in foreign policy approach strengthened the social democrat-leftist movement within the party. During that time Inonu was still its leader. Being fully aware of the public’s identification of the 1960 military coup with the bureaucratic tradition of the RPP and its personification in Inonu’s leadership, social democrats pressured Inonu to declare a center-left position during the 1965 election campaign. This would help the party to differentiate itself both from the coup and the bureaucratic coalition of the former RPP. This was also an attempt to “steal” the populist platform from the JP (Cakir and Goktas, 1991: 7).

The shift in the RPP’s ideology to a “left of center” orientation was a victory for the social democratic movement and its leader Ecevit, who was Secretary General of the RPP in 1965 (Gunes-Ayata, 1990). Ecevit was elected as party leader in 1972 after a long struggle with Inonu who led the party since 1938. Under Ecevit’s leadership the RPP abandoned the “left of center” position and defined its political orientation as “democratic leftist” - as of 1972. The new RPP received most of its support from the urban working class and shanty town dwellers as well as from peasants of the least commercialized rural regions (Keyder, 1987: 202-203).
Under the leadership of Ecevit, the RPP interpretation of the meaning of populism changed radically and became a reaction against the populism of the 1930s. The new populism accepted the existence of classes and attributed social injustice to class inequalities. This new identification signalled the end of any undifferentiated populist solidarity, as propagated by the RPP of the 1930s.

However, the RPP was not able to create a broad working class base strong enough to create a social democratic platform. "The people" were the oppressed class and populism meant defending their rights and interests. Oppressed people were defined as those "who do not seek privileges in society, whose income is not dependent upon the exploitation of others, as well as those who cannot use welfare services, or stand up for their own rights" (Gunes-Ayata, 1990: 161).

Democracy constituted the other pillar of the new RPP ideology. Ecevit was convinced that the RPP's identification with the military-civil coalition politics of the single party regime as well as with a strict interpretation of the secular reforms of Kemalism was responsible for its repeated electoral defeats, in that it was unable to close the cultural gap between the party leadership and the masses (Gunes, 1961; Ecevit, 1966; 1968). Thus, the RPP's ideological orientation began to change from that of an elitist image established during the single party era to a populist one along the lines of "democratic left" principles (Cakir and Goktas, 1991; Ecevit, 1966, 1968, 1975). Social democracy was defined as a process of general democratization that would lead to the enlargement of social, economic and political rights of people. It would also motivate people to exercise these rights. Worker participation in management, strengthening of a people's sector in the economy, the establishment of rural towns, greater autonomy to local administrations, and increasing cooperative ownership in capitalist enterprises were promoted as essential elements in the general democratization scheme (1976 RPP Programme).

According to Ecevit, the cultural gap between the ruling elite of the RPP and the masses had to be reinterpreted in relation to such issues as economic exploitation, social-economic inequalities, social justice, social security, equality of opportunity, and so forth (1977 RPP Program). Ecevit was vocal in his belief that Kemalist reforms had changed much in the "super structure" of the society, yet none of these reforms brought about the emancipation of the people from poverty and economic exploitation. Thus, the political parties of the Right ideological orientation manipulated religious issues toward the mobilization of
masses for the maintenance of an economic system which in fact generated much socio-economic inequality (Ecevit, 1968: 69-73). According to Ecevit, the issues of religious practice and belief should not be left to the domain of the Right wing parties, but should take a central place in the populist agenda of a democratic leftist party. Therefore, Ecevit openly advocated freedom of religious practice and belief (Ecevit, 1968 and 1974). With this shift in the party's populist outlook, the RPP began to approach the matter of religion, not as one of obscurantism, but as a legitimate ideological concern embedded in social class inequalities.

The shift in the RPP's ideological orientation to a democratic leftist platform after 1972, both in its interpretation of populism and democracy, was a populist appeal to small producers, peasants, urban marginals and the working class. The left wing version of the RPP's populism certainly introduced a class-based interpretation into a populist platform, but its populist appeal to the immediate economic and social-cultural, including religious, experiences of small producers, peasants and urban working poor did not present a clearly differentiated image. The RPP's and the JP's populist appeals to the general population became more and more similar. Even though the JP and the RPP were perceived into public mind as being opposite to one another (the JP was identified as a right wing party and the RPP was associated with the left), these two parties represented an ideological continuity in the populist ideology of the 1950-1980 period. With a democratic leftist image the RPP reinforced the tendency towards a more populist ideology, rather than articulating a class-based culture of opposition.

Especially after 1972 the RPP joined a kind of populism that the JP was propagating. Both parties were aware that there was no correspondence between the secular culture imposed by the bureaucratic coalition of the single party era and the "little-living" cultures of the common people. The democratic leftist RPP, under the leadership of Ecevit, came to acknowledge that religion was an important dimension of the cultural cleavages between the ruling elite and the masses as well as a major source of conflict between political parties at both electoral and parliamentary levels. In reaction to the elitist approach of the RPP during the single party era, which Ecevit argued had alienated people from the party and caused repeated election defeats, the elaboration of a democratic leftist approach aimed at enlarging the party's electoral base by incorporating small producers and urban poor along with their cultures into the party. For
Ecevit, a democratic leftist interpretation of the position of religion in society was an absolute necessity if these social categories and religion were not to be left to the domain of right wing political parties.

However, Ecevit faced a dilemma in this attempt. He was trying to constitute democratic leftist principles, both in economic and cultural terms, in a political party which claimed to be the founder and protector of the official state ideology of Kemalism (Cinemre and Cakir, 1991). His dilemma was rooted in the fact that he was not able to develop a democratic leftist ideology independent of the historically established bureaucratic coalition politics of the RPP. This problem became more apparent after 1974 when worker migration to Western Europe came to an end.

The most important challenge for any government, or any political party was to strengthen the employment creation capacity of the economy. The RPP's economic program was based on the creation of jobs through investment in state economic enterprises. Therefore, state-led heavy industrialization was given the highest priority. Statist economic policy embraced the ideological virtues of the RPP's nationalism, based on national economic independence and sovereignty of the state. Since small industry was the dominant form within private capital, priority was also given to the strengthening of small industry in order to ease the political pressure created by unemployment (Aktar, 1990: 49-52). Thus, the RPP's economic policy for solving the unemployment problem was based on the development of an alliance between state bureaucracy and small industrialists from the Anatolian region.

The end of external migration in 1974 increased the number of unemployed which in turn increased the active political participation of the urban masses (Agaogullari, 1987). These unexportable workers were now potential recruits. The most important players in the political recruitment process were the democratic leftist RPP and Islamic groups\(^5\). The rivalry over recruitment focused on small industry where these potential urban migrant workers were concentrated. Although the RPP had some success in obtaining the electoral support of the urban poor and shanty town dwellers, who for the most part were employed in small industry, Islamic groups proved to be more effective than the RPP in their organization

\(^5\) Given the emphasis on Islam in their political program, I include radical right, such as National Action Party (NAP) within the category of Islamic groups as well. The party program of the NAP referring to national culture is based on the idea of "Turkish-Islamic Synthesis".
and ideological appeal (Cakir, 1994). The Anatolian and small-medium size manufacturing interests and their unexportable workers facilitated the rise of Islamist ideological and political projects in national politics. Islam emerged to represent small producers in their struggle against large industrial interests through articulating a new version of a multi-class populist alliance and a culture of opposition.

12.4. Religion and Politics

Between 1960 and 1965, there was less emphasis on religious matters vis-a-vis state-society relations although governments of the period continued to allocate state resources for religious institutions and religious education - a process which the DP government had begun in the 1950s (G. Lewis, 1966: 235-236). The fact that less emphasis was placed on religious matters in the early 1960s was due largely to the military’s close supervision of party politics (Kili, 1976: 165; Kili, 1968: 24; Weiker, 1973). After the mid-1960s, and particularly after the Cyprus crisis of 1964 - when the governments of the period adopted a multi-faceted foreign policy approach, religion was politicized once again.

During the early 1960s religious issues were politicized on the basis of the former political divisions of the 1950s. The matter of division in regard to religion concerned which political party was more progressive towards consolidating the westernization project of M. Kemal. Therefore, religion was seen in the progressive-obscurantist continuum. The RPP of the 1950s attributed its defense of secularism to its progressiveness while the DP was identified as obscurantist. For the DP, the RPP’s secularism had nothing to do with its pro-western stand; but it was anti-religious. Until the mid-1960s the RPP kept its stand on secularism intact. As was the case during the 1950s, the RPP leader Inonu frequently accused the JP and its leader Demirel of being obscurantist for allegedly collaborating with the supporters of Said-I Nursi (Milliyet Newspaper, June 4, 1966). Inonu also charged the JP with using Islamic rhetoric to appeal to a largely peasant electorate. These accusations by Inonu against the JP, however, resulted in the reconsolidation of the RPP’s single party image as an elitist anti-religious party.

The 1965 election campaign was the first strategic step in the politicization of religion in terms of divisions between right and left ideological orientations. During the 1950s neither the DP nor the RPP was identified as being right or left wing; their commonly-shared pro-Western stand in relation to the formation
of Cold War alliances explains the absence of such divisions between them. In the 1965 elections, with the RPP beginning to identify itself as a "left of center" party, controversy over religion became a reflection of political conflict between left and right wing political parties. The RPP was identified as a leftist party while the JP was right wing. The left was associated with an anti-religious attitude while right wing parties were presented as the protectors of religious freedom, beliefs and practices in society. Thus, the RPP's attitude toward secularism was automatically interpreted as anti-religious. For the first time in the history of modern Turkey, political controversy over the issue of secularism came to be identified on the basis of political divisions along the Left-Right continuum.

The Justice Party managed to inherit the political legacy of the DP as the party representing rural economic and cultural interests. The RPP's single party image as a party of the elitist-bureaucratic tradition representing the rigid secularism of the 1930s provided the JP with its ideological strength. The JP identified itself as the champion of Islam as demonstrated by its efforts to rally former DP supporters behind it (Szyliowicz, 1973: 331-332; Harris, 1965: Part II; Ulman and Tachau, 1965: 162). The populist ideology of the JP was built on the DP's incorporation of peasants and their living culture into the state. As was the case with the former DP, the JP's incorporation of Islam into the state was part of legitimation pressures arising from the lack of correspondence between the secular culture of the state and the "little-living" cultures of the common people.

Under the JP administration, religious education continued to increase its representation in the public school system, corresponding to the increasing number of students enrolled in the Prayer Leader and Preacher Schools (Imam-Hatip Schools). Total enrollment in these schools increased from 4,548 in the 1960-61 school year to 49,308 in 1970-71 (Kucuk, 1984: 551). This represents a massive increase in a mere 10 year period.

The JP's position in relation to religion did not undergo any major change. It maintained the same viewpoint during the entire period between 1965 and 1980 - considering religious issues as a matter of incorporating the cultures of the general population into the state. The RPP, which had adopted a democratic leftist orientation since 1972, supported the same principle that Islam was part of living culture and needed to be incorporated into the state. By the early 1970s then, there was not much difference
between the Central Right JP and the Central Left RPP, given that the latter had adopted a more moderate attitude on the issue of secularism.

However, the RPP was associated with the Left, and therefore seen to be anti-religious. This supposedly anti-religious orientation, in turn, was perceived as “communist”. The RPP was not in fact a communist party; but a populist one, attempting to create a multi-class coalition among the bureaucracy, certain segments of the peasants, small producers, urban marginals and the working class. Even though there was an illegally organized Turkish Communist Party with its headquarters in East Berlin, the influence of the TCP on Turkish politics was negligible. The RPP had no relationship to the TCP, and did not support its underground activities. Moreover, the RPP’s belief in a multi-faceted foreign policy approach and rapprochement with the Soviet Union would not appear to support this perception either. The rapprochement policy with the Soviet Union was also adopted by the JP. In fact, the JP government was the first to accept Soviet economic and technical assistance in 1965. Nevertheless, the JP’s strategy was to associate the RPP’s democratic leftist orientation with communism and, therefore, with anti-religiosity.

Ecevit rejected all variants of Marxist ideology, but much of what he proposed, coupled with his expressed intention “to change the existing order” led his opponents to accuse him of being communist. In addition, his industrialization project, which was based on massive expansion in state-led industries (though he did not reject private enterprise), and his belief in cooperative ownership and management of private industries, also led many to perceive his policies as Marxist-communist. The allegation that Ecevit was communist was strengthened by his insistence on a more independent foreign policy distinct from the rigidly pro-U.S and pro-NATO stand of Turkey’s Cold War policies. This insistence was made evident first during the Cyprus crisis of 1964 when Ecevit was the General Secretary of the party, and later during the Cyprus War of 1974 when he was Prime Minister. Moreover, Ecevit’s emphasis on the detrimental effects of a customs union and various EEC integration measures on Turkey’s industrialization was also manipulated to create the impression that Ecevit and the RPP had a communist orientation.

This propaganda campaign was initiated with the mobilization of a number of anti-leftist/communist organizations. Among them were the Association for the Struggle Against Communism (Komunismle Mucadele Dernegi) and the Turkish Nationalist Youth Society (Turkiye Milliyetci Genclik
These organizations intensified their activities against the Left in support of the JP. The number of Associations for the Struggle Against Communism increased from 9 in 1963 to 141 in 1968 (Yucekok, 1972: 150). Through these organizations, and other Islamic associations (which reached 28.4 per cent of all associations in Turkey by 1978 (Yucekok, 1971)), the JP publicized its support for Islam. The politicization of Islam continued throughout the late 1960s and 1970s, with the aim of mobilizing Islam against the spread of the left in society (this included all version of the left, including the democratic leftist orientation of the RPP).

Thus far in this work, I have discussed several factors which made the rise of Islam in Turkish politics possible. I have looked at Islam as a symbolic structure that generates meaning in the immediate life experience of common people, separate from the culture of the state (determined by economic position in society). I have also examined the way Islam provides political parties with a cultural wealth to better face the question of legitimacy. In addition, Islam became a symbol of resistance to state control and the external authority over Turkey’s economic and foreign policy strategies. The combination of these results led me to an interpretation which sees the articulation of political cultures of opposition as the efforts of numerous actors, capital groups and political parties, interpreting their economic and political situation in light of the existing cultural elements available to them, and refashioning ideology to bring it in line with the lived experience of the people. The revival of Islam becomes apparent both as a filter of experience and a platform for political struggle. It is also linked to the domestic and external political-strategic and economic dimensions of the state. These developments helped to create a specifically pro-Islamic political culture of opposition. It was articulated by the National Salvation Party (NSP) in the 1970s. I will examine the NSP in the following pages.

12.5. Islamic Political Opposition: the National Salvation Party

The politicization of Islam became particularly significant after economic recession marginalized small-medium size manufacturing interests and ended foreign demand for migrant workers. It was also part of increasing anti-Americanism especially in relation to conflict within NATO over the Cyprus problem. Islam was presented as an antidote to both the Left (allegedly communist) and freemasonry, and prescribed
as a desirable way of life - consonant with Turkish values, morality and progress (Landau, 1976: 2). While Ecevit was denounced as a “communist”, Demirel, the leader of the JP, was denounced as a Freemason working for large business interests. It was alleged that these interests were comprised of freemasons as well.

Growing intra-private sector cleavages and the apparent neglect by the JP government of Anatolian and small-medium size manufacturing interests enabled Erbakan and his pro-Islamic party to become prominent in national politics. Erbakan’s rise to the TOB’s leadership in 1969 and Demirel’s decision to force him out of the TOB represent the beginning of the disintegration of the political alliance between small manufacturing interests and the Justice Party. After he was removed from the TOB, the National Order Party (NOP) was established under the leadership of Erbakan in 1970 (Sevilgen, 1980: 15-19). It was founded to represent those of Anatolian origin with small capital interests who were discontented with the economic policies of the Justice Party (Sencer, 1971: 271; Bulutay, 1970: 89; Saribay, 1985: 89-99). The NOP presented itself as the party of the ‘silent Muslim majority’; but it was closed down by the Turkish Constitutional Court on May 20, 1971 after the military coup. The NOP was accused of being an anti secular party seeking to establish shari’a in Turkey (Saylan, 1987: 60).

After the dissolution of the NOP, the National Salvation Party (NSP)6 was established on October 11, 1972, mostly by the former founders of the NOP. Erbakan joined the party later on May 16, 1973. Only after the striking success of the NSP in its first nationwide election contest did Erbakan become interested in the party’s leadership position. He was elected as leader of the party on October 20, 1973 (Sevilgen, 1980: 44-47). The NSP won 48 seats in the National Assembly and three seats in the Senate, with much of its support coming from small towns and Eastern Turkey.

The National Salvation Party and the defunct National Order Party were the first explicitly Islamic political parties founded in Turkey. They were able to obtain some support from underground Islamic groups such as the Said-I Nursi movement and the Naqshbandi tariqa (Genc, 1971: 230-307; Ozek, 1964;}[66]

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6 The question of why the Constitutional Court did not close down the NSP has so far not been explored despite the fact that continuity both in ideological outlook and party leadership between the NOP and the NSP was clearly evident.
Sahiner, 1979; Yanki, 1977, N. 3: 6). The NSP was created out of an alliance between the Naqshbandi and the Said-I Nursi movement (Cakir, 1990: 214-222). Then leader of the Said-Nursi movement Husrev Hoca actively participated in the establishment both of the NOP and the NSP. In addition to many other party members, the party's General-Secretary, M.G. Sevilgen was an open Said-I Nursi follower (Cakir, 1990: 89; Sevilgen, 1980; Oymen, 1977; H. Demirel et al., n.d.). However, Nurcu support of the NSP was short-lived. After the NSP formed a coalition government with the democratic leftist RPP in 1973, Husret Hoca withdrew his support from the NSP (Cakir, 1990: 89; Sevilgen, 1980; Oymen, 1977; H. Demirel et al., 1977). This was followed by the resignation of a group of Nurcu parliamentarians from the party. Said-I Nursi supporters protested the NSP for forming the government with a leftist party. After they withdrew their support from the NSP, the Said-I Nursi supporters went back to supporting the JP of Demirel. The Naqshbandi accused the Nurcu of serving the interests of big business in the Istanbul region, and, therefore, of also supporting foreign capital. The Nurcu was also criticized for lending support to the JP (Demirel et al., 1977). Oymen, a Social Democrat journalist, also identified the Nurcu movement as being Made in the U.S.A. Thus, the title of his article is “Amerikan Mali Nurculuk (Nurcu Movement: Made In the U.S.A)” (Oymen, 1977).

After the withdrawal of Nurcu support, the NSP remained a pro-Islamic party with continued Naqshbandi support. Some of the highly influential members of the NSP were also members of the Naqshbandi tariqa. Among them were the party leader himself, N. Erbakan, Korkut Ozal, the NSP Minister of Agriculture in various coalition governments between 1973-1980 and the brother of former President of Turkey, NSP parliamentarian Salih Ozcan, and NSP Minister of Labour A.T. Paksu.

With the help of these religious orders, the NSP received its greatest support in both the 1973 and 1977 elections from the rural and less developed areas of Turkey - mostly in Eastern Anatolia (B. Toprak, 1981: 104-121). The urban shantytowns (gecekondu) inhabited by rural migrants also proved to be fertile ground for the growth of religious ideologies and the NSP (Keyder, 1987: ch. VIII). Those who were discontent with and alienated from Kemalist secularism and those who were adversely affected by the JP's economic policies favouring large private capital interests made up the electoral base of the NSP. For these urban marginals, small producers, and others from less developed regions of Turkey religion appeared as a
means of political protest.

The NSP gained strength in the political competitions of the 1970s due to its opposition to the economic policies of the JP. The result was a religiously informed stance against the JP and Western influence in Turkey, which I would characterize as “populist” for its combination of “progressive” and traditional elements and its appeal to diverse social strata. Though its primary social base was composed of small producers, and Anatolian industrial/commercial groups, its anti-Western/anti-imperialist stand was popular among marginal urban and rural populations and university students. The NSP devised its ideological base from the issues first formulated by the Naqshbandi Sheikh Kotku. During the 1950s and 1960s Sheikh Kotku developed an Islamic agenda of opposition among a large network of his highly educated and influential students. When Turkey experienced its worst economic crisis after the mid-1970s, then, Erbakan was prepared with an ideology and an organization to assume the leadership of an Islamic political opposition. In order to uncover the influence of Naqshbandi Sheikh Kotku on the NSP, I will examine Sheikh Kotku’s ideas in the following section.

12.5.1. The Naqshbandi Tariqa

In the Naqshbandi teachings, the term “development” was associated with “corruption” and closely linked to the decline in national economic and political power. The hitherto established economic strategy of Turkey had weakened its capacity to design and implement independent policies. Rather, policy was generally externally imposed in the name of “development”. This decline in power of the nation-state was evidenced in the living conditions of Muslim small producers in Turkey who were locked into these externally imposed economic development programs.

The Islamic ideal of development was to regenerate state power through a balance in the national economy between Islamically defined consumption norms and capital goods producing industries. This, according to Naqshbandi teaching, required a shift in the balance of political and economic power against the few who, in the process of “corrupt” economic development, became tightly integrated into the external conditions of the economy and benefited from these conditions at the expense of the mass of small producing Muslims. According to Sheikh Kotku, large capitalists were “enslaving” the Muslims of Turkey
in the name of development - a path which serves the interests of foreign capital. This enslavement was the result of political and economic exploitation by the West (Europe and the U.S) on the one hand and the submission of ruling political parties to Western influences on the other (Kotku, 1984).

The basis for a greater national balance between the economy and political power was to be found in the political mobilization of small agricultural producers and the manufacturing industry against the “external” authority of development. Kotku constantly advised his followers to establish a national industrial development plan to form a strong industrial society. This project brought with it an alliance between the state bureaucracy and small-medium size Anatolian industrialists. The bureaucracy would take care of the development of capital goods producing heavy industry while consumer goods production was to be carried out by private industrialists. Consumer goods production would be regulated in order to remain consonant with Islamic norms of consumption. Such a stand left a great responsibility on the political party chosen to define consumption patterns along Islamic lines.

During the time of Sheikh Kotku the Naqshbandi headquarters at Iskenderpasha Mosque functioned as a kind of university, which Ersin Gurdogan (one of Sheikh Kotku’s students) defined as an “invisible university” (Gorunmeyen Universite) (Gurdogan, 1991). According to Gurdogan, the purpose of this “invisible university” was to further an ideological climate among the tariqa students conducive to individual self-purification - one distanced from the negative moral influences imposed on Muslims by the secular educational institutions of the state (Gurdogan, 1991: 11). Kotku placed a great emphasis on Islamic education, within the context of tariqa, which combined traditional organizational strategies of the tariqa, such as sohbet, with modern print technology. Through these methods, he hoped to increase the ability of individuals to resist the conditioning of mass consumer culture (Gurdogan, 1991: 83). This required a reorientation of economic development strategies by eliminating “artificial needs” imposed on Muslims through policies which encouraged limitless imports in the name of development. A redefinition of the social needs structure was the primary means of eliminating import-based industrialization strategies (Gurdogan, 1991: 93-130). For Gurdogan (1991: 32-33), the Naqshbandi tariqa defined externally imposed economic development strategies as a “mass consumerism trap” through which Muslims were subjected to cultural “rape”. The Naqshbandi political agenda was to reorient economic policy, redefine the needs
structure of the country and eliminate mass consumerism. This was the basis for a nationally-based economic strategy as advocated by the Naqshbandi tariqa (Gurdogan, 1991: 57-59, 88, 93-130).

Sheikh Kotku's emphasis on the development of Islamically regulated consumption norms as the basis for industrialization framed the general pro-Islamic understanding of a balanced program of national industrialization. As opposed to Nurcu support which was given to the political parties along the DP-JP continuum, the Naqshbandi tariqa linked itself with the pro-Islamic party established under the leadership of Erbakan. This came to mean that the ultimate goal of the Naqshbandi tariqa was to divert Turkey from involvement in the EEC and promote an international Islamic economic and political unity through an alliance of Islamic parties favouring that unity. Therefore, the Naqshbandi tariqa strongly supported Turkey's rapprochement with Muslim states in the Middle East, and encouraged the NSP during the late 1970s (the then coalition partner of the JP government) to persuade the government to become active in the Organization of the Islamic Conference (OIC). (Turkey became member of the OIC in 1972).

12.5.2. The Ottoman-Islamic Legacy: Confronting the Kemalist Nation-State Project.

The NSP proposed an national industrialization strategy which required an articulated national economy incorporating production and consumption patterns through a policy of Islamic regulation of social life. Production would be in accordance with true national consumption needs and not those 'fabricated' by the West. Islam, therefore, becomes central in the redefinition of new consumer norms that would guarantee the constitution of a "virtuous society". This was a protective statist response to the adverse economic and political effects of the EEC integration measures of the 1970s and Turkey's close alliance with the U.S. According to the NSP, Turkey's economic problems were rooted in the dependence of the Turkish economy on the availability of foreign currency in various forms (workers' remittances or foreign aid). The resulting weak financial-economic situation, according to the NSP, culminated in Turkey's loss of autonomy, not only in foreign policy but also in domestic policy. This pushed Turkey into a debt crisis, causing unjust distribution of wealth. The NSP argued national industrialization and westernization do not go together. The remedy to this situation was a speedy industrialization through investment in heavy-capital goods producing industry.
In this respect, the NSP rejected the notion of a complementarity of economies within an international order governed by the U.S or Western Europe; it favoured another possibility that would be organized by the cooperation of Muslim states. It was absolutely necessary to change the course of economic development from one centered around the orbits of the capitalist World economic system to one which would rise from the Islamic cooperation of Muslim states. The NSP aimed at shifting Turkey’s alliances in the state system from the West to Islamic states extending from the Middle East to Malaysia and Indonesia. This would enable Turkey, whose exports to the EEC were subject to the quota system of the EEC trade regime, to expand its agricultural and industrial exports to the Muslim states in exchange for oil from the Middle East and other raw materials (Erbakan, 1973: 86-92). Erbakan wrote:

“since the oil producing states of the Middle East have accumulated large amounts of petrodollars, they could purchase Turkey’s industrial export products ... Turkey did not cultivate ties with the Middle East since the beginning of the Republic of Turkey ... As a result of this neglect, European states such as France, Italy, Greece are exporting those industrial products to the Middle East that we easily could ... As opposed to struggling with the EEC to be able to sell some parsley or carob, which we do with great difficulty, we must establish a common market with Muslim states. This will strengthen Turkey’s industrial capacity ... The states of Warsaw Pact, Bulgaria or Hungary, are providing their meat, we could replace them ... We could involve in building their industries, export our industrial products ... Our construction companies can build their roads ...” (Erbakan, 1975: 266-268).

The NSP had conceived the state system on the basis of a bipolar division of Islamic and non-Islamic nations (Umma in Arabic and Ummet in Turkish) into cultural-economic blocs. In Erbakan’s view, Muslim nations would have to enter into close economic, cultural and political cooperation among themselves vis-a-vis their relationships with Western nations (Oguz, 1994: 97-104). The creation of a united Muslim nation (as an alternative to the UN), a Muslim economic community with an Islamic Dinar as a common unit of currency, and a Muslim version of a defense organization were, therefore, advocated as important steps in the creation of an Islamic cultural-economic bloc in the state system (B. Toprak, 1981: 104).

The NSP claimed that it was the only political party in Turkey capable of representing a “national view” in politics, culture and the economy. Erbakan’s book entitled National View (1975) articulates this “national view” ideology. In the book Erbakan advocates a balanced strategy for achieving moral and material progress - a path between the Islamic regulation of consumption norms and a new national
economic development project giving priority to the national development of heavy capital-goods producing industry. To realize this goal, the organization of a “virtuous” society was an absolute necessity for creating consumption patterns which would be indexed to the human needs newly defined in relation to Islam. Islamic religious education was therefore critical in developing these new consumer patterns.

The main points of the NSP’s ideology were expressed in its First General Congress in 1973. The former first leader of the party S.A. Emre, in his opening speech of the Congress, classified the dominant ideological views of Turkey into three categories: national, liberal-capitalist and leftist. According to Emre, liberal-capitalist ideology was represented by the Justice Party and leftist-socialist ideology by the Republican People’s Party. For the NSP, the liberal-capitalist and leftist political parties were essentially the same in nature, since both based their ideologies on Western-based economic systems. Liberal-capitalist and leftist-socialist systems were both imperialist systems originating in the West which sought to enslave other nations by imposing their own economic interests and culture. By basing their ideologies on foreign ones originating in the capitalist-imperialist west, both the JP and the RPP were far from serving the national interests (Emre, 1973: 5). The NSP claimed that both leftist and liberal ideologies were unresponsive to national demand since they failed to offer a balanced outlook encompassing economic and moral development. Economic development could not be an aim in itself. Rather, it was necessary to attain internal peace among various segments of society through moral-spiritual-religious education and the reconstitution of the rights and freedoms of individuals. In this regard, economic development could only be supportive and complementary (Emre, 1973: 5-6; Erbakan, 1975: 29-40).

According to Erbakan, the liberal and leftist political parties promoted a doctrine of “imitation” (taklit) of western economic systems in order to catch up with the economic development level of the West (Erbakan, 1975: 29-40). This doctrine was the real source of economic underdevelopment. For the NOP, for example, the doctrine of imitation created the moral foundation for the injustices perpetrated on the nation by materialist-capitalist Western states and their collaborators (The Declaration on the Founding Principles of the NOP in Sevilgen, 1980: 21-29). In contrast to the imitation doctrine, the NSP focused on creative development of a nationally-based technology. The revitalization of Islamic national values and consciousness was to be the source of such creativity (Erbakan, 1975: 26). A creative response was seen as
essential if Turkey was to take its place as a technologically advanced and industrially developed nation among the wealthier nations of the world (Erbakan, 1975: 26).

The attainment of this goal - understood as industrial development, was linked directly to the revival of Islamic moral consciousness, which the NSP saw as a matter of spiritual development. The idea of imitation was applied in the field of spiritual development. Erbakan maintained that the economic development projects of the liberal and leftist political parties were based on the notion of imitating Western cultural-political values and institutions to establish a cultural basis for economic development. Because this habit of imitating of western culture had been dominant in intellectual discourse in Turkey since the Ottoman Tanzimat era, Islamic values were regarded as a source of obscurantism and backwardness (Erbakan, 1975). The result was the erosion of an effective moral foundation and the creation of a moral vacuum for the socialization of youth. The youth of Turkey were unaware of national values and history. Consequently, they were pushed into a spiritual crisis in the name of progress.

In response to the economic and spiritual problems facing Turkey, the NSP advocated a “national outlook” for development, in both industrial/technological and spiritual/moral fields. The final goal was the realization of a moral and just society. The NSP emphasized that the nation-state project of M. Kemal which was based on the idea of congruence between industrial development and secularism, had failed in bringing about development since it was based on the doctrine of imitation. The Kemalist project did not propose anything national - only the doctrine of imitation which it inherited from the Tanzimat intellectuals of the Ottoman Empire. According to the NSP, the introduction of “corrupt” Western culture into the Ottoman Empire during the Tanzimat era was the reason for its material and spiritual weakness.

The NSP’s emphasis on Islamic moral-spiritual values as the driving force of material-economic development was in fact a response to Kemalism, which, according to the NSP, conflated development with “westernization”. There was no theory of cultural transformation in Kemalism then, only a belief in westernization. In light of the Westernization project, Islam was seen as having failed in relating itself to the modern techno-scientific world. Education was placed under secular state control, and Islam was either neglected, rejected or put in the service of the state (Albayrak, 1990). The revival of an interest in religion was part of the ideological reaction against the westernization project, militant secularism, and the ideology
of imitation.

The NSP repeatedly pointed out that secularism as it was applied in Turkey was both contrary to the real meaning of the concept and part of M. Kemal’s attempt to impose an ideology of imitation on the minds of Muslim people. According to Erbakan, the Turkish version of secularism rejected the cultural-moral role of Islam in society and became an instrument for “the oppression of believers by non-believers” (Erbakan, 1975: 51-56). He defined secularism in the following way:

“what true secularism means is the unqualified acceptance that there are other people different from us, but they are equally respectful people as we are ... The basis of secularism is not to find fault with the people who are committed to different beliefs and ideological systems. This guarantees freedom of thought.” (Erbakan, 1975: 52-53).

The constitution which guaranteed freedom of expression and thought would allow opposition to challenge the legitimacy of the imitation doctrine and Kemalist reforms without fear of prosecution.

The NSP developed a new synthesis of religion and economic life, introducing Islam to the potential of new economic pursuits. According to the NSP, the cause of economic crisis as experienced in Turkey was de-Islamization - a deviation from ‘the straight path of Islam’. This was basically a revival of 19th Century Pan-Islamism which rejected the Tanzimat project of wholesale westernization, and argued for the amalgamation of Islamic culture with Western technology. According to the NSP, Turkey would achieve material economic development if it could recreate its past and reestablish a concept of nationhood around the supremacy of Islamic spirituality and morality.

Working on the same premise of the Ottoman Pan-Islamic movement, Erbakan advocated the revitalization and recovery of Ottoman history as the most fundamental element in the re-formation of national consciousness and moral-spiritual development (Karahasanoglu, 1975: 114). The revitalization of history, as Erbakan often referred to it, was seen as the rejuvenation of the “glorious past of one thousand years”. The one thousand years was in fact the history of Turks after the acceptance of Islam (Tanju, 1978: 112). This idea appeared in the NSP Program as seen in the following excerpt:

“We are loyal to an understanding of nationalism which respects the whole historical, social and moral values of our nation and which was unified by the glorious and honourable history of Turkey inherited from our martyrs and fighters who died for the true path of Islam (sehitlerimiz ve gazilerimiz in Turkish).” (The NSP Programme and Regulations, 1973).
The NSP’s mission was to create a new “past”, a history, and a new cultural set of values in the creation of a new nation in Turkey. It bypassed Kemalist-secular sources of nationhood, and proposed a new understanding of “the past” and “a history” for the people of Turkey. It had a nationalist attachment to the Ottoman Empire because it could be used effectively to reconstitute a new nation in Turkey. In order to regain primacy in the state system, as the Ottoman Empire had once achieved during its classical era, the people of Turkey would have to regain their consciousness as a Muslim nation. In contrast to M. Kemal’s nationhood project, the NSP reestablished continuity between the Turkish nation and Islamic-Ottoman sources of identification. According to the NSP - the greatness of the Ottoman Empire was due to the superiority of Islam vis-a-vis Western cultures. Once Turkey readopted its Islamic past and reestablished Islamic spirituality and morality in the everyday life of its citizens, it would develop into a strong industrial society.

One notable point here is that the NSP did not call its world view “nationalist” but rather defined it as one having a “national view (milli gorus)”. This might be related to the greater role the NSP attributed to Islam in the definition of the “national” (Saribay, 1985: 114). In its party programme the NSP clearly accepted the territoriality of the nation state of Turkey, and placed great emphasis on its power, prestige and autonomy in the state system. The NSP accepted the reality of divisions of people into nation states. In conformity with the idea of a nation-state it tries to accommodate Islam to this political reality. On the other hand, the “national” in its ideology goes beyond the territorial definition of nationhood. It includes Muslims, regardless of their divisions between nation-states, as part of one Muslim nation. This is in line with the NSP program of cultivating closer economic and political-strategic ties with Muslim states in the Middle East, in the hope of creating an alliance of separate Muslim states within one Islamic bloc of Muslims7.

12.6. Conclusion

Since the end of World War Two, various governments tried to reconcile Islam with the secular

7 For an excellent discussion on the conformist and non-conformist interpretations of Islamic political theory see: Piscatori, 1986.
principle of Kemalist ideology through the incorporation of peasants and small producers into the state. This was an attempt to reconcile the nationalist attachment to the nation-state with the Cold War bloc organization of economic and political-military relations. By the early 1970s, the policies of the center right JP and the democratic left RPP in relation to Islam were very similar. They tied Islam to their populist ideology. While accepting that Islam generates meaning in the lives of the people, they also saw in Islam a cultural source to legitimize their policies and mobilize small producers and urban poor for electoral gains. However, during the mid-1970s as the framework of Cold War alliances was in the process of dissolving and Turkey was in conflict with NATO over Cyprus, Turkey found itself isolated in the Western economic and military alliances. Economic recession in Europe marginalized small producing rural and industrial interests and also ended workers’ migration. As a result, Islam began to gain an upper hand in domestic politics and in the process of redefining national projects.

Within the context of Turkey’s isolation in the West, the aim of the main opposition parties of the period (the RPP and the NSP) was to mobilize an “indigenous” potential to counteract the negative impact on the Turkish economy of the EEC integration measures adopted by the JP government. Both parties saw Turkey’s close ties with the West and in particular those with the EEC as detrimental to Turkish industrialization projects. Still, the difficulty remained of how to define indigenous potential. This explains the tension between secularism, as defined by the Kemalist ideology which the RPP claimed as its protector, and Islam.

Secularists (the JP and the RPP) accepted that territorially-defined nationalism was to be the ideological source of “development” efforts. However, the left continued to question the importance of Islam as a source of this “indigenous” potential.

In “Advice to Our Children” Nazim Hikmet, one of the most outstanding leftist Turkish poets, illustrates this argument very clearly. Even though the poem was written during the late 1940s, it was still relevant in the 1970s to an understanding of the leftist approach to this indigenous potential.

Be naughty, that’s all right.
Climb up sheer walls,
up towering trees.
Like an old captain let your hands direct
the course of your bicycle.
And with the pencil which draws the cartoons
       of the master of Religious Knowledge,
       demolish the pages of the Koran.
You must know how to build your own paradise
       on this black soil.
With your geology text-book
you must silence the man who teaches you
that creation began with Adam.
You must recognize
       the importance of the Earth,
you must believe
       that the Earth is eternal
Distinguish not between your mother
       and your mother Earth.
You must love it
       as much as you love her. (Nazim Hikmet, 1947).

Nazim Hikmet was a secular poet. But the RPP of the 1970s did not advocate demolishing the pages of the Qur’an; still, it was associated with the earlier secular stand on religion, and was portrayed as anti-religious. In this poem N. Hikmet demonstrates an obvious love for his country - a love shared by Muslim poet N.F. Kisakurek, Said Nursi, the sheikhs of the Naqshbandi tariqa and the NSP. The Muslims’ “distress”, caused by the external determination of development projects in Turkey, was a source of pain for Nazim Hikmet, who invited the children of Turkey to take control over the course of their future. The difference was that the religious opposition questioned how a secular break with the cultural and emotional totality of religion could be called “development”, while for the secularists “development” required just such a break. However, neither secular nor religious nationalists offered an alternative view to this idea of development. In their own separate ways, their call was a nationalist invitation to create a development project consistent with indigenous potential. This widened the scope of internal political conflict over the definition and mobilization of the indigenous potential. For the NSP, it also entailed an effort to build an Islamic economic and political-strategic bloc among Muslim states against the Western determination of development projects on these states.
XIII- GLOBAL RESTRUCTURING AND MUSLIM ECONOMIC COOPERATION: THE 1980s

For a brief period during the 1960s and early 1970s it appeared that Turkey would be transformed into an industrialized welfare state, with heavy industrialization projects, more democratic labour legislation, a social democratic movement defending civil rights and a relatively even distribution of economic prosperity. The late 1970s, however, revealed a pessimistic picture.

In this chapter I argue that the escalation of political conflicts and the rise of Islamic politics in the Middle East, based on the platform of the Organization of the Islamic Conference, established Turkey's strategic importance once again after having lost its Cold War advantage during detente. In the context of the Islamic revolution in Iran and the Soviet invasion of Afghanistan - both of which increased Islamic radicalism in the region - the U.S needed Turkey as a strong ally in NATO. The granting of Turkey's strategic importance in the region by the U.S brought about significant shifts in Turkey's economic strategy. These consisted of a change in the national regulatory framework from protection to openness, a new accumulation strategy for private capitalists, and new negotiations involving social and economic policy. In 1980 Turkey adopted a transnationalist market oriented economic model and pursued pro-West economic liberalism.

The shift in Turkey's national regulatory framework was an expression of a "global" movement. This movement, as represented by the economic policy shift regarding production and trade, is currently restructuring the world economy. But this process is governed by political and geostrategic forces which constitute the limits and possibilities of global economic organization. In other words, change in the organization of the world economy depends on several possibilities and emerging trends which are closely tied to geopolitical alignments. In the case of my work, these include: the reorganization of Islamic politics and its likely impact on trade, the possibility of regional economic and political integration into an Islamic bloc; and the interaction between an Islamic bloc and larger transnational global/regional trends.

Several broad questions will be examined in this chapter. To what extent are the political relations being reformulated within and among states in the region through Islam? To what extent will the regional configuration of Islamic politics shape regional and national economies? How much influence will they
have in global economic organization in terms of trade expansion and joint venture production? And what are the mechanisms involved in enforcing regional integration? What is the purpose of organizing Muslim economic cooperation in the region: Is it a defensive strategy? Is it a global strategy which aims to further global economic organization? Or is it a combination of both? If these transnational Islamic forces succeed what institutional shapes could the emergent power take?

13.1. Globalization of the Economy

The 1970s saw the beginning of the first major restructuring in the world economy since the Cold War formation of the world economy during the 1950s. The American balance of payment deficit was largely due to the cost of military build-up during the 1960s, and increasing European rivalry helped undermine the dollar, which weakened the American national economy. The availability of dollars on other world currencies, especially in Europe, which was further intensified by the rise in oil prices (J.Kolko, 1988: 21) had an impact on the depreciation of the dollar and the monetary crisis. The Nixon administration responded by ending the Bretton Woods monetary system. American unilateralism, a policy of the Nixon administration, shifted monetary conditions from a fixed exchange rate to fluctuating monetary relations. This undermined Atlantic integration (Van Der Pijl, 1989) and fostered the global “moment” in the world economy. The global movement restructured production, markets and class relations on a worldwide basis via the transnational circulation of capital (Bryan, 1987).

The global movement of capital transformed the institutional framework of the nation-state which assumed a welfare state structure having responsibility for the administration and development of the national economy (labour, production, money and trade relations within the national boundaries) (O’Connor, 1973). The welfare state structure was based on higher wages and full employment. McMichael and Myhre (1991) argue that the growing transnationalization of capital has threatened the independent capacity of the nation state to sustain national economic model. Mann (1990) formulates this as a decline of the nation-state. However, as I have demonstrated in earlier chapters, the national economic planning of the Cold War era was not national either. Kaldor (1995) argues that the Cold War international order was created to transcend national control over the monetary, trade and investment policies of nation-
states. Established under American hegemony, the Cold War capitalist international order marked a decisive break with the nation-state. This could be observed in the construction of ideologies, in the organization of the postwar monetary system, trade and production relations, and in the limitations imposed on sovereignty rights over armed forces. What appears to be new in the era of global restructuring is the transformation of the welfare state structure. This suggests a need to be aware that there might be new emergent possibilities and changes in nation-state projects which must be studied through their interaction with non-national forms of power.

By devaluing the dollar, the Nixon administration opened the way to a transnationally united capitalism. The rise in oil prices and the monetary crisis of the 1970s, which led to a higher value for the dollar, generated an enormous expansion in Euromarket credits while attracting petrodollar surpluses from OPEC countries. The petrodollar surpluses accumulated in Eurodollar markets were channelled into a new regime of capital flows (Oweiss, 1983). This major change involved a shift from official lending and foreign investment to commercial/private bank lending as the largest category of capital flows (Wood, 1986: 82). Restructuring capital flows to the Third World involved reversing policy goals such as full employment and the state’s role in welfare provisions to better compete by creating wage-cost reductions for transnational capital (J. Kolko, 1988: 53). These changes also introduced the “night-watchman state of classical liberalism” often alongside a new emphasis on the state’s police powers (Van Der Pijl, 1989b: 66).

The circulation of petrodollars on a global scale extended inter-sectoral and intra-sectoral productive integration of transnational capital into certain parts of the Third World (Friedmann and McMichael, 1989). Those states which increased their competitiveness for investment capital by introducing policy changes related to wage-cost reduction became integrated into the transnational production process, with each state carrying out parts of the production process but not the whole.

The abandonment of the gold exchange standard, the resultant abandonment of the fixed exchange regime, and rising oil prices served to change the structure and mechanisms of the political structuring of capitalism. Differentiation of industrial capacities within the Third World was part of this process. In the 1980s, the uncertainty surrounding the North-South divide of the state system increased to the extent that
the empirical content of this categorization became obsolete and irrelevant. The transnationalization of capital also transformed the post war state system of the East-West divide (Friedmann, 1991 and 1991b). In the space of a few years, we have witnessed the dramatic end of the bipolar division of the Cold War state system. New actors and institutions have emerged in the state system. This has intensified interstate competition in world markets. However, the implications of these changes for the political structuring of capitalism are by no means clear.

Uncertainty prevails in the present history of the world economy with the emergence of a new constellation of military and economic institutions and its relation to nation-states. Nonetheless, the much-hyped term “globalization” has gained common usage in trying to understand recent transitions in the world economy. Globalization is not an easy term to define. It is generally used to refer to the power of transnational corporations, the integration of international finance, the diffusion of technological innovations such as the internet, and the emergence of homogeneous commodity culture around the world. It refers to world integration of various aspects of life. Citing the growth of transnational corporations and the enhanced mobility of goods, services and money proponents of the “globalization” thesis claim that capital creates new forms of competition beyond the reach of the nation-state and nationally-organized forms of power. Defined in this way, globalization becomes a threat to state power, to policies of full employment and to national living standards. It represents a shift of power from nation-states to international institutions such as transnational corporations and supranational regional political organizations such as the EC (McMichael, 1994).

According to Waters (1995: 3), “it (globalization) embodies a social process in which the constraints of geography on social and cultural arrangements recede and in which people become increasingly aware that they are receding”. In this formulation, globalization is depicted as a linear process of growing homogeneity around a singular market culture. Waters argues that globalization encourages economic liberalization, political democratization and cultural universalization. Similarly, J. Sachs (1997) sees globalization as an expression of the triumph of the capitalist market economy and liberal democracy over state-controlled economies and totalitarian political regimes. Such an understanding of globalization resembles the universal claims for the “self regulating market” made by nineteenth century liberal theory
(Polanyi, 1944) and replicates the myths of modernization theory developed during the 1950s.


Arguing against this linear conception of globalization, I would suggest that emerging forms of international economic governance/rule are of crucial importance in this political and theoretical debate. Globalization is a historically specific formative process of linking local/national practice with larger economic, political-military and ideological relations. It is important to point out that there are significant tendencies toward localization, territorialization and re-territorialization of economic life, alongside international economic mobility (K.R. Cox, 1997). These tendencies become apparent through non-state forces and people-based social movements around questions of political regulation, social distribution, economic recovery, culture and ecological concerns (R. Cox, 1997; Gill, 1997). The very existence of political struggles suggests that we need to understand “globalization” in terms of emergent economic and political relations. We must recognize the historicity and specificity of the nation-state in different historical situations. The domestic context of each state is unique and uniquely situated in the world economy and the state system. The task is to grasp the tension between national variation among states and the general regularities in the wider context of economic and political relations. In concrete terms, we must be aware that the international context sets limits and opens up possibilities for various projects of change at the national level, while at the same time, individual nation-states also shape the emergent patterns at the international level.

13.2. The Shift in Turkish Economic Strategy: From Protection to a Market-Oriented Model
As discussed in great detail in preceding chapters, Turkey did not modify its protectionist national economic policy during the 1970s. Unlike Latin American and South East Asian countries, it resisted a transnationalist export-oriented strategy until 1980. The 1980s marked the first great divide in state economic policy since the 1930s. Even though there was a policy shift during the early 1950s, the goal of industrialization which emerged as a protectionist response to the Great Depression of the 1930s had never been abandoned. In 1980, a profound shift occurred in Turkey over economic policy. The new economic strategy was aimed at decreasing both the scale of public sector activity and the degree of state intervention in the operation of the market. As a new strategy for the reorganization of the national regulatory framework, the structural adjustment to the global movement in the restructuring of the world economy began with the measures of January 24, 1980.

On January 24, 1980, Demirel’s minority government announced an austerity package known as the January 24 Measures. The new economic policy abandoned the inward-oriented statist political economy. The measures were designed by Demirel’s chief economic planner Turgut Ozal, then Secretary General of the State Planning Organization. The success of the austerity program was ensured by the military regime (which lasted from the September 12 military coup of 1980 to the 1983 elections) and was further consolidated during the post-1983 (i.e. post-military) era after the election victory of T. Ozal’s Motherland Party.

Turgut Ozal was well attuned to the interests of large capitalists as represented by TUSIAD and was a firm proponent of liberal economic policies. He was a former member of TUSIAD (Turkish Industrialists and Businessmen’s Association), one time president of the Metal Industry Industrialists Union, and a top level executive in Sabanci Holding Company. Ozal attempted to change economic policies along the basic lines proposed by TUSIAD in 1979 (Arat, 1991). He embarked on establishing a set of policies aimed at a permanent transformation of the economy and its relations with the state. The explicit long term objective of the economic transformation was the adoption of a more market-directed system of resource allocation in general, and an outward-oriented trade strategy based on comparative advantage in particular (Baysan and Blitzer, 1990).

The policy package embodied the following objectives: 1- administrative changes; 2- a devaluation
of the Turkish Lira (from T.L. 47 to T.L. 70 per U.S. dollar which was followed by seven other
devaluations in 1980). By the third quarter of 1980, the Turkish Lira depreciated by about one-half in
comparison with the U.S. dollar; 3- greater liberalization of trade and payment regimes, including the
dismantling of quantitative restrictions and the rationalization of the tariff structure; 4- effective export
promotion measures; 5- promotion of foreign direct investment through such measures as accelerated
decision-making, and the opening new sectors to foreign direct investment, according them same incentives
as domestic investors; 6- price increases for state-traded goods and elimination of consumer subsidies
(consumer subsidies on bread and price controls on cooking coal, fertilizers and sugar were maintained, but
substantial price increases were applied - up 45 per cent for gasoline, 300 per cent for paper and 400 per
cent for fertilizer); 7- increased competition for state economic enterprises to reduce their burden on the
state budget; rationalization of the public investment program; a greater role for the private sector in the
economy through privatization and limitations on the range of sectors dominated by public enterprises; 8-
deregulation of higher interest rates to encourage private savings; 9- a tight monetary policy to restrain
domestic absorption and reduce the rate of inflation; 10- income-tax reform which proposed substantial
reductions in personal income tax rates, bringing unincorporated businesses and farmers within the purview
of the tax system; and replacement of the inefficient system of indirect taxes by value-added taxation

The new approach represented a fundamental break with the import substituting industrialization
strategy of earlier decades based on extensive state intervention and protection. More than a decade after its
inception, we are now in the position of asking a central question: Is the pattern which emerged during the
course of the 1980s consistent with the original objectives of the programme? To what extent has Turkey
become a more market-oriented and export-driven economy?

Liberalization and privatization are now global phenomena. The Turkish experiment is not unique.
Several countries have been undergoing similar types of change as part of a more general process in the
restructuring of the world economy - a process at work since the 1970s. The interesting point is that
essentially similar programs of liberalization and privatization produced different results and different
responses in different national contexts. In the following pages I analyze the domestic context of Turkey
and the manner in which the programme of liberalization was implemented, in addition to the manner in which this domestic context interacted with the international system. I will distinguish between three periods of the 1980s. These periods are: 1- The period of structural adjustment undertaken by the government formed under the direction of the military regime (January 1980 - November 1983); 2- The period of liberalization and accelerated growth, following the return to the parliamentary regime, under T. Ozal’s Motherland Party (November 1983 - November 1987); and 3- The period of slow growth which occurred after the November 1987 general elections (November 1987 and 1990).

The initial policy change in the direction of a market-oriented economy involved the deregulation of key relative prices. These included exchange rates, interest rates and the product prices of SEEs. Devaluations in the exchange rate as well as the transition to a flexible interest rate policy were aimed at removing the anti-export bias by imposing restraints on domestic demand and eliminating private savings. Thus, Turkey adjusted its export promoted economic growth to a policy of substantial change in the structure of relative prices and income distribution.

A sharp reduction in the income of labour and farmers, which occurred through lower support prices for agriculture and SEEs (State Economic Enterprises), was the key policy initiative imposed by the IMF to ensure the success of the export-oriented model (Baray and Ergun, 1990). Reductions in wages and income were directed at reducing domestic demand for manufactured goods. This marked a shift in accumulation strategy from one which relied on the growth of domestic demand to one reliant on world demand. However, it remained unclear what Turkey’s comparative advantage would be in the long term. Real wages and the share of real wages in national income were substantially reduced as a result of the new income policy, involving constitutional restrictions on the bargaining power of trade unions and strike activity. One of the first measures undertaken by the military coup upon assuming power was to close down all three trade union confederations (DISK, Hak-Is, and MISK) with the exception of Turk-Is (Sakallioglu, 1991: 57-69). As a result, between 1979 and 1985 there was a 40 per cent reduction in real wages and a 17 per cent reduction in real agricultural incomes as nominal wages and the rate of the increase of agricultural support prices fell below the rate of inflation (Boratav, 1990). Once combined with the unemployment rates, which rose from 13 per cent in 1976 to 13.6 per cent in 1978 and then to 16.1 per
cent in 1983, these sharp reductions in wages and income reveal how ugly and costly the structural adjustment policy was for the larger segment of society (Türkiye Ticaret Odalari, Sanayi Odalari ve Ticaret Borsalari Birligi, 1978: 52-53; Kazgan, 1990: table 5; Boratav, 1990).

Hence, in its first period of implementation, the structural adjustment programme was successful in moving in the direction of a market-oriented economy in terms of introducing a flexible price and income regime.

Moreover, via flexible product prices and decline in wages, SEEs started to achieve operating profits. The link between the SEEs' financial requirements and the Central Bank were also substantially eliminated. Price flexibility was not achieved through price determination in a free market setting. The government continued to determine key relative prices, such as interest rates, exchange rates, and wage levels (Onis, 1991: 29).

The decisive shift in the move to a market-oriented economy occurred during the second period between 1983 and 1987. By 1984 the trade regime and capital account had been substantially liberalized. Direct controls such as import quotas were eliminated. The degree of tariff protection was reduced, and restrictions on capital flows and foreign exchange were substantially reduced. Bureaucratic constraints and a number of other restrictions on foreign investment were substantially eliminated. Foreign investment during the pre-1980 period was extremely limited. In order to alleviate bureaucratic problems resulting from the distribution of related matters among a number of governmental departments, an agency was created in the form of a Foreign Investment Department within the State Planning Organization. The reduction in real wages was also part of the government's attempt to increase Turkey's competitiveness in attracting foreign investment by creating a comparative advantage in the form of wages. The new Foreign Investment Code entitled foreign investors to the same set of investment incentives as domestic investors. With the exception of domestic tax obligations, foreign investors were also enabled to transfer their profits abroad.

As noted above, apart from short-term components of domestic demand restraints, the January, 24 1980 structural adjustment program included medium and long term components for encouraging exports, such as provision of extensive tax and credit incentives to exporters and real effective depreciation of the

The picture drawn by the export-oriented economic model in Turkey appears to be consistent with the liberal vision of retreating states and expanding markets. However, this explanation is inadequate, or at least incomplete. The steps taken in the direction of a market-oriented economy - such as a flexible price and income policy, extensive tax and credit incentives to exporters and other regulations - did not translate to an ascendancy of the market over state power. Policies of liberalization were accompanied by a significant concentration of economic and political power in the hands of the state. Government became an active partner of the private sector in removing the anti-export bias of the pre-1980 era. It also encouraged the emergence of a new group of entrepreneurs with a strong international outlook. An important aspect of government involvement in the emergence and growth of exporting fractions of the private sector was its role in the search for foreign markets through diplomacy. Accompanied by large groups of businessmen, T. Ozal made several state visits to Muslim states in the Middle East, the Soviet bloc and China.

Moreover, the market-based explanation does not take into account the organizational basis of Turkey’s export drive in the 1980s. A major institutional innovation introduced in Turkey during the early 1980s involved the formation of foreign trade companies (Ilkin, 1991). Legislation concerning the formation of these companies was directly influenced by East Asian experiences, notably the cases of

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1 These sharp increases in manufactured exports was largely due to the strong industrial base that Turkey built via the statist nationalist developmentalism model of ISI between 1960 and 1980.
South Korea and Japan. The Act on Foreign Trade Companies (July 18, 1980) stated that companies which surpassed a pre-specified export target would become eligible for export tax rebates. The Act stated that for a firm to become a foreign trade company it must reach to certain size and fulfill certain conditions. The most important requirements were that the export company should not be a manufacturing firm; its paid capital must at least be TL 50 million, the volume of its annual exports must be at least $15 million, at least 50 per cent of the exports must be industrial or mining goods, and its annual exports must increase by at least 10 per cent every year (Ilkin, 1991: 91). By the end of 1984, the subsidy effect of government incentives reached 54.9 per cent of export values (Milliyet Newspaper, June 20, 1985).

Export tax rebates were established as a major instrument for export promotion. Foreign trade companies were also provided with additional incentives in the form of exclusive trading rights with specific countries, including Eastern Europe and the Middle East, with whom trade was conducted on a bilateral basis.

As a result of these changes introduced for the development of a market-oriented economy between 1980 and 1987, more “free” space was created for the economic activities of the large export-oriented companies which became politically vocal through TUSIAD in the previous decade of the 1970s. The share of large companies in total exports increased from 9.2 per cent in 1981 to 38.8 per cent in 1984, dropping to 34.5 per cent in 1985 (Senses, 1990: 65). By the end of the 1980s these large foreign trade companies accounted for approximately 50 per cent of Turkish exports. In 1985 the number of large exporting companies was somewhere between 24 and 30, many of which maintained links with (or were subsidiaries of ) large holding companies producing for the domestic market. In 1988, 21 out of 22 foreign trade companies were subsidiaries of some of Turkey’s largest industrial holding companies, construction

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2 This model was first practised in Japan under the name of Sogo Shosha. It was later adopted by many late industrializers, from South Korea to Brazil.

3 The foreign trade companies were initially in 1980 named in the legislation as “export capital company”. Some import rights were granted to selected firms in 1984, and the “export capital companies” were turned into foreign trade companies” (Ilkin, 1991: 91).
companies, iron-steel works groups, textile groups and general trade and industry groups (Ilkin, 1991: 92). In the case of the textile industry, the Cukurova Holding of S. Sabanci was the largest beneficiary of these measures. In the case of construction, ENKA Holding was the most important transnational company to emerge in the 1980s. ENKA Holding represented a group of companies involved in Middle East and Soviet construction projects. It was this group of companies which became an example of the diversified export concerns of T. Ozal, concerns which were closely allied with the Motherland Party.

For Ozal, companies which were not able to withstand competition and unable to export were bound to disappear. In the 1980s it was medium and small sized firms which felt the most threatened. During the previous era, they had relied on the protected domestic market and an overvalued exchange rate policy. Among them was Asil Celik, a medium size steel producing subsidiary of KOC Holding. The main import substituting large corporations, by virtue of their size and access to their own banks, survived the competition. Even though they also suffered from declining domestic demand (TUSIAD, 1981: 103), their ties with exporting companies, which were created through the Act of Foreign Trade Companies, strengthened their position in the economy. The economic policy of the 1980s favoured the growth of large exporting companies at the expense of small ones. Small sized companies (which accounted for 11.5 per cent of value added and 38.3 per cent of employment in manufacturing) either went bankrupt or were swallowed up in mergers. Although there is no data on the role of small enterprises in export growth, it is plausible that those which survived the competition in the climate of economic Darwinism in the 1980s remained to produce mostly for the domestic market. It is also likely that the job creation capacity of small companies declined.

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4 Foreign trade companies organized themselves into an association in the mid-1983, the “Exporters Association”. Its name was turned into “Foreign Trade Association” in 1984. In 1986, its name became the “Turkish Foreign Trade Association” (Turk-Trade). The Turk-Trade is the main link between foreign trade companies and the government. Its objectives were to bring together Turkish exporters and provide exchange of information, coordination and solidarity among them. Almost all foreign trade companies were member of the Turk-Trade. The main reason for the formation of the Turk-Trade was to ensure that export incentives provided by the government to the foreign trade companies would be expanded or at least kept at a certain level (Ilkin, 1991: 93).

5 There is no data on employment creation capacity of the small industry for the period after 1980. However, we can expect the trend in the pre-1980 era to continue during the post-1980s. The employment creation capacity of the small companies declined from 29.2 per cent in 1972 to 26.8 per cent in 1977 (Turkiye Ticaret Odalari, Sanayi Odalari ve Ticaret Odalari Birliği, 1978: 55).
The point here is that the Turkish model of an export-oriented economy based on foreign trade companies clearly contradicts the alleged ascendancy of the market and decline in state power. The government was the main instrument in the creation and growth of foreign trade companies. These companies were competing to obtain an additional share of the tax-rebate from government. This can be seen as the continuation of the protective policies of the previous era directed toward export growth. Between 1960 and 1980, and especially after 1974, the major problem for the Turkish economy was obtaining foreign exchange. Throughout that period various groups within the private sector were in an intense competition to obtain a share of imports rather than exports. During the 1980s exports were seen as the prime means of obtaining foreign exchange. And large private capitalists were now competing to obtain export tax-rebates from the government. This does not allow us to conclude that the role of the state in the economy was diminished.

In addition, another shift in the 1980s involved the role of the state as a direct producer of manufactured commodities. The state did not withdraw from economic activity. Public investment continued to be a dominant form of capital accumulation. Although steps were taken in the direction of privatization of state economic enterprises by 1987, the privatization program in the market-oriented economic strategy has not been successfully implemented. The first major case of privatization occurred in 1988. This involved the sale of about half of the public shares in the mixed telecommunication company, TELETAS, via the Istanbul Stock Exchange. By 1990 only a few companies were privatized in this way (Onis, 1991: 30). Throughout the 1980s the public sector accounted for more than 50 per cent of total fixed capital formation (Onis, 1991: 32). The contribution of SEEs to the gross national product did not decrease. Moreover, the public sector also continued to dominate the financial system. The share of public banks in total bank deposits expanded. Around 90 per cent of the securities issued on the Istanbul Stock Exchange have been public sector issues, showing the degree of control exercised by the public sector over the capital market (Onis, 1991: 32; TUSIAD, 1988).

The continuing dominance of state power in economic activity was accompanied by the extension and strengthening of executive power vis-a-vis the legislature (Heper, 1990). The creation of Extra-Budgetary Funds (EBFs) illustrates the argument. EBFs refer to the revenues accumulated through non-tax
resources such as the so-called “exit fund” paid by citizens travelling abroad, whereby each citizen paid $100 to customs each time he or she travelled abroad. The revenues accumulated under the EBFs were spent without the prior approval of the parliament, at the discretion of the prime minister. In 1988, 11.2 percent of public investment was financed from the EBFs (Onis, 1991: 33).

The centralization of power in the Office of the Prime Minister created a trend towards a decline both in the powers of the parliament vis-a-vis the executive and also in the power of the cabinet relative to the Office of the Prime Minister. The centralization of strategic policy powers in the hands of the Prime Minister was also coupled with a series of organizational changes in the state bureaucracy. The intention was to institute a managerial bureaucracy in place of the traditional bureaucracy which had a “patrimonial-statist” orientation. The creation of an Undersecretariat of the Treasury and Foreign Trade (UTFT) in the Prime Minister’s Office is an example (Oncu and Gokce, 1991). The creation of this new bureaucratic agency led to significant deterioration in the powers of both the Ministry of Finance and the Ministry of Commerce. Without control over the Treasury, the role of the Ministry of Finance was reduced to a general directorate of customs and taxation, akin to a department of internal revenue. Similarly, the detachment of foreign trade from the Ministry of Commerce significantly reduced its power in the new era of export-oriented growth. Other examples include the Department of Foreign Investment and the Department of Investment and Export Promotion and Implementation, created in the Office of the Prime Minister (Oncu and Gokce, 1991). These departments centralized many activities previously scattered among various ministries. The Board of Mass Housing and the Public Participation Fund are additional examples of new bureaucratic agencies attached directly to the Office of the Prime Minister.

These newly created agencies attained the powers of a ministry, but remained non-cabinet posts headed by an appointed technocrat answering directly to the Prime Minister. These managerial bureaucratic agencies of special advisers and a number of high level bureaucrats were largely independent from political-societal and intra-bureaucratic pressures. In short, the powers of the Prime Minister were expanded vis-a-vis the cabinet and parliament. The organizational changes served to bring together, within the Office of the Prime Minister, a set of key agencies involved in strategic policy-making and implementation.
What is interesting in the foregoing analysis is the emergence of a complex pattern in the logic and form of state intervention which cannot be captured by a thesis emphasizing a decline in the power of the state. What was happening was the restructuring of the state through the centralization of government power around the office of the Prime Minister. In that process, the centrality of the state remained intact. Policy formulation and implementation was increasingly carried out within a narrow space of managerial-technocratic control, largely independent from the bargaining process in domestic politics.

The centralization of power in the Office of the Prime Minister and the strengthening of the state in the organization of the economy require an explanation. I have illustrated in previous chapters that there is a certain continuity in the role of the state in organizing the economic, political and ideological life in Turkey. Nevertheless, the existence of a statist tradition cannot be taken as an explanation since the role of the state has not always been the same. It has undergone significant changes in structure and definition.

I argue that the centralization of power during the 1980s was contingent upon changes in the geopolitical alignments of the reorganized world economy. An increased inflow of capital to Turkey and the geo-political realignments in international politics mediated the process of power centralization. International political and economic changes were articulated to the domestic context of politics through the military coup which occurred on September 12, 1980. The military coup was instrumental in strengthening the state power vis-a-vis various contending groups and classes. The coup enabled the government to make the economic interests of large capitalists dominant in economic policy making. I will continue my analysis with a discussion of changes in the international system.

13.3. International Politics and Geo-Political Re-Alignment

As discussed extensively in the preceding chapters, within the international political conjuncture of detente and the Cyprus War of 1974, Turkey did not have access to urgently needed foreign exchange from official sources of long term debt. It was forced to borrow from private banks after the mid-1970s. The termination of labour exports to Western Europe in 1974, and hence the decline in workers remittances, along with the prevailing anti-export bias in domestic economic policies produced a foreign exchange crisis for Turkey during the pre-1980 era. Borrowing from private banks was extremely costly. In the absence of
the necessary foreign exchange, Turkey experienced a debt crisis after 1975, particularly between 1977-1980. The 1977 and 1978 negotiations with the IMF and the World Bank led nowhere. The IMF-imposed conditions of a long-term structural adjustment to a market-directed system of resource allocation and an export-oriented trade strategy based on comparative advantage were simply not acceptable to Turkey.

However, by the end of 1978 Turkish-U.S relations began to change, shifting the balance in favour of Turkey. The U.S. lifted the arms embargo, and by 1979 also planned to provide Turkey with an aid package of $300 million to be dispensed in 1980. The Turkish-American rapprochement, which began at the end of 1978, was followed by official loans from the IMF and World Bank.

The success of the January 24, 1980 Measures depended on the government’s negotiations with the IMF over the rescheduling of Turkey’s debt and new loans from international markets. Debt relief and new external credits were sizeable. Turkey’s debt rescheduling prior to 1982 was the largest ever undertaken, and accounted for nearly 70 per cent of the total volume of debt renegotiated by all “developing” countries between 1978-1980 (Celasun and Rodrik, 1991: 193). Between 1980 and 1984 Turkey received a three-year standby agreement of 1.2 billion SDR (Special Drawing Right) with the IMF and five Structural Adjustment Loans (SALs) totalling $1.6 billion - a record number, in addition to regular project lending with the World Bank. Moreover, the structural adjustment program was instrumental in generating a significant flow of resources from official creditors, notably the governments of OECD countries.

In addition to World Bank and IMF lending, the U.S. government instituted an international aid mechanism in 1979. This was specifically designed to “rescue” Turkey from its economic problems. The scope of the aid was to be between $10 billion and $15 billion over five years, most of it in loans and credits. This represented the institutionalization of an aid mechanism which has not been equalled since the Marshall Aid Program (Congressional Record, 21 March 1979: 5633-5634). The scale of financial assistance provided to Turkey during the 1980s exceeded by a considerable margin the magnitude of resources made available elsewhere under similar adjustment programs.

The scale of resources channelled to Turkey as part of the World Bank SAL program provided considerable freedom of action on the part of the government and the new technocrats. The structural adjustment program was successfully implemented under the military regime. The military coup and the
1982 Constitution, which was to a large extent formulated according to the specific demands made by the military leadership, reasserted the supremacy of state power over the realm of politics and placed constraints on the political system to prevent it from weakening the government's power (Heper, 1988). In addition to the complementarity between the inflow of capital in the form of the SALs and the re-assertion of government power through the military coup and the 1982 Constitution, a particular feature of the SALs conditionality itself was behind the success of the program. As Onis (1991: 39) has pointed out, the emphasis of the SALs was on the direction of policy changes rather than the achievement of specific quantitative targets. Moreover, the five successive SALs were provided in consecutive years rather than being distributed over a longer period, thus providing the government with considerable freedom of action and substantial financial resources. This was all carried out within a short period of time to speed up the process of structural adjustment to a market-oriented model.

The successful implementation of the January 24 Measures in Turkey during the first half of the 1980s set the example for the Baker Plan, named after then Secretary of the U.S. Treasury James Baker (Celasun and Rodrik, 1991). Turkey launched its export-oriented adjustment program at a time when the second oil crisis of the early 1980s began to push the world economy into a debt crisis. The Turkish example was thus promoted by the U.S as a model to be followed by other debtor countries. Launched in 1985, the Baker Plan served to legitimize the IMF-World Bank conditionality of structural adjustment for loans to debtor states. The plan required debtor countries to adjust their economic plans to an intensive market based political economy in return for increased international lending6 (George, 1990: 189-193). After the Baker Plan, the World Bank Structural Adjustment Loans (initiated in 1979), known as SALs, became the prime means for World Bank lending7 (George, 1990: 191).

6 James Baker launched his plan for the recovery of the debt crisis in the annual World Bank/IMF Conference in Seoul-Korea. Baker Plan involved an extension of commercial bank lending of $20 billion over a three year period to the fifteen largest debtors; an increase in official multilateral financial institutions' lending by 50 per cent above 1985 levels; the use of the $2.7 billion IMF Trust Fund as a new borrowing facility. In return, debtor countries were required to liberalize trade, remove controls over foreign private investment, reduce government involvement in the economy and promote exports (George, 1990: 189-193).

7 SALs have accounted for some 12 per cent of all World Bank lending between 1979 and 1987 (about $15 billion) (George, 1990: 191).
Petrodollar surpluses\(^8\) were incorporated into the reorganization of the world economy through IMF-World Bank conditionality. With the oil price increases of 1973-1974 and 1979-1980, oil exporting states acquired substantial increases in their oil revenues. By the early 1980s Saudi Arabia, Kuwait, Qatar, the United Arab Emirates and others accumulated petrodollar surpluses. From 1974 to the end of 1981 total current account petrodollar surpluses were approximately $450.5 billion for all members of OPEC. Arab oil exporting countries had acquired over 90 per cent of OPEC’s petrodollar surpluses. Since the beginning of the 1980s Saudi Arabia alone accounted for 42 per cent of the surplus, followed by Kuwait (18 per cent), Iraq (17 per cent), the United Arab Emirates (11 per cent), Libya (8 per cent), and Qatar (3 per cent) (Oweiss, 1983: 121).

The bulk of petrodollar surpluses from these countries was deposited in American and Western European banks. Prior to the first oil shock of 1973, the main source of Eurodollars was the US balance of payments deficit. After the oil shocks of the period, petrodollar surpluses became the main source of growth in Euromoney markets. The primary use of petrodollars accumulated in Eurodollar credit markets was for foreign aid extended by the IMF and the World Bank, which recycled petrodollars to debtor countries under the SAL programme (Oweiss, 1983).

This apparent change of heart by the U.S regarding aid to Turkey, after the tensions created by the Cyprus war of 1974, requires an explanation. How did Turkey draw large amounts of official aid during the early 1980s in order to implement its export-oriented development strategy? The answer to this question can be found in the escalation of political conflicts in the state system, the most important ones being the Islamic Revolution in Iran and the Soviet invasion of Afghanistan which had intensified the radical Islamic movements in the Middle East (Momori, 1985; The Times, 1984).

In the course of these conflicts, the old positional advantage of Turkey which disappeared during Detente and the Cyprus War, re-emerged. Turkey’s most critical resource was its geo-strategic location for maintaining the regional balance of power. From this point of view, it was critical for the U.S. to rescue

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8 Petrodollars may be defined as the US dollar earned from the sale of oil, or as oil revenues denominated in US dollars. Petrodollars accumulated by the oil exporting countries depend on the sale price of oil as well as the volume sold abroad. Petrodollar surpluses are the net US dollars earned from the sale of oil that are in excess of internal spending needs but is transformed into monetary units (Oweiss, 1983: 117-119).
Turkey from the same fate experienced by Iran (Washington Post, March 2, 1988; Milliyet October 15-30, 1988; Financial Times, May 23, 1988). The U.S., especially in the absence of a clear military alignment with the oil producing Middle Eastern states, needed Turkey to remain a viable ally in NATO. The price of re-granting Turkey’s status as an important Middle East player was contingent upon the provision of aid.

13.3.1. The Islamic Revolution in Iran

After the mid-1970s the Cyprus war and detente had a direct influence on the capacity of Turkish governments to negotiate capital inflow for accommodating the economic crisis of the 1970's, given that Turkey was attributed marginal importance. Before the Islamic Revolution, Saudi Arabia and Iran were chosen as better allies for the U.S. The Soviet invasion of Afghanistan and the Islamic Revolution in Iran, however, undermined U.S. detente policy in the Middle East.

There was no explicit mention of Iranian instability in American foreign policy initiatives until 1979. Until the Revolution, the Shah's Iran was expected to play a greater role in the region than Turkey. Iran was even more important for the U.S. than Saudi Arabia, given that the Shah was not interested in developing strategic alliances with regional Muslim countries. For example, the Shah's refusal to attend the Islamic Summit in 1972 (organized in Pakistan by Prime Minister Z. Ali Bhutto) was a clear indication that Iran was a viable ally for the U.S. (Wriggins, 1976: 796). With a dramatic increase in Iran's annual oil income from $86 million in 1955 to approximately $25 billion, and with its growing military capability fostered by a $10.5 billion defense budget, Iran was also expected to play a greater role in the region⁹ (Wriggins, 1976: 795-798).

The U.S. Department of State did not suspect that there would be a resurgence of militant Islam in Iran, and did not realize that the Iranian regime of the Shah would collapse. The U.S. State Department also did not realize the danger that a more militant Islam in Iran might pose in highlighting the differences between the Shiite Islam of Iran and the majority Sunni Islam found in the rest of the Middle East.

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⁹ The U.S. supported the Shah's military buildup and sold Iran an estimated $2.5 billion worth of military equipment in 1975 alone (New York Times, August 10, 1975). These massive deliveries were functional for two reasons: 1. Iran was to be a more effective military ally of the U.S.; 2. the recycling of petrodollars through arms sales was also for the benefits of the U.S. balance of payment difficulties.
Therefore, growing Iranian instability did not lead to a strategic shift in the balance of power in the Middle East. The U.S. State Department continued to rely on the Shah's ability to suppress an Islamic resurgence in Iran until 1979. It also downplayed Turkey's strategic and political importance\textsuperscript{10} to U.S. interests (Slavin and Klass, 1979).

The downfall of the Iranian regime of the Shah created a state of near panic in the West, due to a fear that Iran's Islamic Revolution would give way to oil shortages and price increases. This, in turn, would mean a second oil crisis in the early 1980s, one which would influence the production and pricing policies of other OPEC countries including Saudi Arabia. The other factor which contributed to the state of panic was the possibility of a resurgence of militant Islam generating greater anti-western feelings in the rest of the Middle East.

In January 1980, the announcement of the Carter Doctrine concerning the Middle East required a more visible U.S. military presence in the region. The Carter Doctrine was an American effort to counteract the possible effects of the Islamic Revolution in Iran and the Soviet invasion of Afghanistan. The Carter Doctrine required that U.S. vital interests in the Gulf be defended against outside threats by military force if necessary (Kuniholm, 1986). However, this intensified the dilemma of Gulf rulers, resulting from their reliance on the U.S. for their ultimate safety and their being pulled in several directions at the same time\textsuperscript{11} (The Times, 25 January 1980). The combination of these events underpinned Western vulnerability to unpredictable oil supply disruptions. Acting on the dilemma of Gulf states and being openly fearful of Saudi oil reprisals, the U.S. simply allowed the Saudis to rely on explicit American security guarantees.

\textsuperscript{10} Both Iran and Saudi Arabia's increased importance for U.S. strategic interests, as opposed to Turkey's was well stated by Werner - a legislative assistant to Senator John Glenn: "...Turkey and Greece are feuding over Cyprus and possible oil reserves in the Aegean Sea. These difficulties may have led to recent Turkish overtures to the Islamic world. Libya is supplying natural gas to our NATO ally, Turkey, at well below current world prices and on favourable credit terms. Meanwhile Turkey has expressed full support both for requiring Israeli withdrawal from occupied Arab territories and for recognition of Palestinian rights. It is no wonder that NATO's southern flank is falling apart" (Werner, 1977:662).

\textsuperscript{11} The Middle East was already polarized into those states that can make peace with Israel and value American presence in the region and those that are against reconciliation with Israel and advocate a non-aligned position (Churba, 1980: 354). Saudi Arabian and Gulf states' irritation at the U.S sponsored 1979 Egypt-Israel Peace Treaty, in particular, and at Western policy on the Arab-Israeli issue, in general, represented a major U.S foreign policy setback in the region. That is, even the Saudi Arabia was not a firmly established ally of the U.S.
while also allowing them to play a non-aligned role\textsuperscript{12}. Saudi non-alignment manifested itself in the Saudi search for Islamic leadership in the region.

After the Islamic Revolution in Iran, the U.S. policy consisted of both creating a “moderate Sunni Islamic bloc” under the leadership of Saudi Arabia and strengthening NATO ties with Middle Eastern states (Churba, 1980). The U.S. cultivation of a moderate Islamic bloc was a strategic alternative to its failure in building a clear military alignment with Saudi Arabia or any other oil producing Middle Eastern Muslim country. And, Turkey was given primary importance once again, as was the case during the 1950s, for its role in strengthening and supporting NATO in the region. This increased Turkey’s ability to negotiate and receive long term official aid.

The state of fear on the part of American policy makers (originating from the Islamic Revolution in Iran and the unreliability of the Gulf states) was the reason why Turkey once again became an excellent candidate for an alternative security option in the region. After 1979, Turkey’s importance to NATO was not simply a reflection of Turkey’s strategic position vis-a-vis the Soviet Union. There was a fear that Turkey too might be lost to the Islamic revolution. Islamic revivalism in Turkey was not yet an acknowledged concern in the U.S. despite the fact that Turkey had a pro-Islamist political party. If Turkey was to remain a viable ally of the western world, the U.S. needed to “rescue Turkey” from the fate of Iran by providing aid. The U.S. Deputy Secretary of State, Warren Christopher, justified American aid to Turkey in the following manner:

This turbulence - in Iran, Afghanistan, Yemen and elsewhere - affects fundamental U.S. economic and security interests . . . The importance of a stable, democratic and pro-western Turkey has never been clearer (U.S. Congress, House, 1979, quoted in Aricanli, 1990: 252, footnote 20).

A serious U.S. concern about the fate of the southern flank of NATO had domestic ramifications for Turkey. The post 1980 liberalization program of the Turkish economy was launched with U.S. acknowledgement of Turkey’s economic problems. The price for Turkey’s geo-strategic status as an important Middle East player was contingent upon the provision of economic aid (Kuruc et al., 1985).

\textsuperscript{12} The military manifestation of non-alignment was that King Khalid and Crown Prince Fahd publicly ruled out the prospects of an American military base in Saudi Arabia; yet the Saudis, in early 1980, granted the Soviet Union overflight rights (Churba, 1980: 355).
The U.S. foreign policy strategy regarding Turkey shifted from the prospective costs of Turkish-Soviet relations to offsetting the impact of the Iranian Revolution and the possibility of growing Islamic radicalism in the region. This brought about two policy alternatives: 1- the regranting of Turkey's status as an important player in the region to protect the southern flank of NATO by mobilizing the official sources of long term debt; 2- granting Saudi Arabia the leadership role in the emergence of a "moderate Sunni Islamic bloc" in the region - a policy initiative which was played out by the growing international circulation of Saudi capital among Muslim nations in the Middle East, including Turkey. The specific combination of these policy initiatives, conditional to the World Bank structural adjustment program, produced the emergence of large export-oriented private capitalists, acting through foreign trade companies, in the Turkish economy. The main destination for their exports was Muslim countries in the Middle East. The institutionalization of a "Turkish-Islamic Synthesis" ideology in the state facilitated the entry of Turkish foreign trade companies into the markets of the Middle East. The simultaneous occurrence of these events turned out to be the most powerful factor in the resurgence of Islam in Turkey, yet it was not the intent of U.S. policy makers. The goal of a political Islam was to achieve greater economic, political and cultural cooperation among Muslim states.

13.4. The Organization of the Islamic Conference: Inter-Islamic Economic Cooperation

From the end of the mid-1970s the ideological role of Islam among Muslim states grew into an international Islamic organizational movement. As discussed in Chapter XI, the Charter of the Organization of the Islamic Conference (OIC) provided the basis for inter-Islamic cooperation on economic, political, social and cultural issues among member states. During the 1980s, the OIC moved further from its original stance on a unified "ummah" (Islamic community) towards further cooperation among Muslim states. The economic goal of the OIC was to achieve "collective self reliance" among Muslim states by intensifying economic cooperation. In the following pages I will examine some of the economic plans and programs of the OIC, and situate the implementation of the export-oriented economic strategy of Turkey within the Islamic context of the OIC.

The promotion of close cooperation and mutual assistance in the economic field was declared in
Article 2 of the Charter. The first concrete step toward this end was the establishment of the Islamic Development Bank (IDB) which was proposed in the Second Conference of Foreign Ministers in 1970, and created in 1975. The IDB functions to participate in equity capital and grant loans for productive projects and enterprises, besides providing financial assistance to member states for the purpose of promoting foreign trade. Membership is open only to member states of the OIC. The authorized capital of the Bank is 2 billion Islamic Dinars (ID), divided into 200,000 shares having a value of 10,000 ID each; one ID is equal to one SDR (Special Drawing Right) of the IMF. The subscribed capital of the Bank was ID 1,822.67 million (US$ 1937.47 million) in 1983 (al-Ahsan, 1987: 37-38).

The first detailed deliberation on the economic and financial goals of the OIC came at the Third Islamic Summit Conference in Mecca in 1981. In this Conference, the OIC approved a “Plan of Action for Economic Cooperation Among Muslim Countries” (I will refer to it as the Action Plan). The International Shari’a Congress which was organized and financed by a Saudi Arabian Institution, the Rabbitat al-Alam al-Islami (the Muslim World League) (convened in Pakistan in 1976) had already established the ideological basis for the Action Plan. As examined in Chapter XI, the Shari’a Congress of 1976 advocated the establishment of an international Islamic economic organization to coordinate the economic activities of Muslim nations. The Shari’a Congress established that on the way to unity in the Islamic umma (Islamic community), the long term strategy of member states in the OIC was an integrated approach designed to foster an economically developed Islamic community with the potential for an economic union.\textsuperscript{13}

In order to translate the various objectives and strategies of economic cooperation into concrete form, the OIC devised an institutional framework. “The General Agreement for Economic, Technical and Commercial Cooperation” (here to known as the General Agreement), first proposed in 1976 by Saudi Arabia and established in 1983, lays down such a broad framework. The General Agreement contains four chapters, the first three dealing with provisions on economic, technical and commercial cooperation, and the forth comprising final provisions. The General Agreement’s general principles are not formulated to

\textsuperscript{13} The idea of coordination of economic policies among Muslim countries has been advocated by Muslim scholars for some time. See: H.M. Nazer. (1979), “The Goal and Strategy of Economic Development for the Muslim World”, in Islamic Council of Europe (ed.), the Muslim World and the Future Economic Order.
establish an economic union nor to determine the ways in which such economic cooperation would be carried out. Its main goal is to achieve a broad consensual agreement among member states of the OIC for encouraging cooperation in economic, technical and commercial fields through multilateral or bilateral agreements. Nevertheless, the OIC hopes that the economic cooperation among Muslim states, fostered by the General Agreement, will in the long run prepare the grounds for an Islamic economic union.

The General Agreement intended to encourage the transfer of capital and investment among member countries of the OIC as a method of achieving an optimal utilization of resources available within the Muslim world. Here, capital embraces not only financial funds but all kinds of assets and property. The term investment denotes proprietary rights acquired by the act of laying out capital for profit (Moinuddin, 1987: 120-121). In order to facilitate the movement of capital, goods and investment among OIC countries, the General Agreement requires member states to create necessary adjustments within their national territories. The interesting point here is that the requirements of the General Agreement and IMF-World Bank are quite similar in terms of the demand for structural adjustment to a market-oriented economic model.

The General Agreement's provisions for adjustment to a market economy are listed below. 1- The General Agreement requires member states to take necessary structural adjustment measures to facilitate the movement of capital (financial and productive) and goods within the economic space of the OIC. It insists upon an equal and non-discriminatory commercial treatment of member states of the OIC by other member states. In addition, the General Agreement also requires trade liberalization among member states (Moinuddin, 1987: 125-127). Article 8, 9 and 10 in Chapter 3 of the General Agreement deal with commercial cooperation. These requirements are applicable within the framework of regional and sub-regional commercial cooperation based on bilateral and multilateral arrangements; 2- Article 2 of Chapter 1 of the General Agreement requires member states to encourage "joint projects" (joint ventures) as a form of industrial cooperation suitable for foreign investment coming from Muslim countries of the OIC. As stipulated in Article 4, the joint ventures also include food production in member states; 3- The structural adjustments to a market-oriented model are to be coupled with the provision of incentives to foreign investors coming in from capital exporting member states of the OIC, thus making investments more
attractive in capital-importing member states. Such incentives include tax exemptions and reductions, exemptions from customs duties and other sorts of incentives; 4- Member states are to provide necessary guarantees to encourage the transfer of capital and investments. These guarantees consists of the granting of legal protection to the investor’s property, the freedom of transferring earnings and the invested capital, and the provision for compensation in the case of expropriation or nationalization. These legal guarantees are required to be provided either through legislative acts of the member states or by concluding bilateral or multilateral agreements with other member states. Article 1 of Chapter 1 of the General Agreement contains the provision of incentives and legal guarantees for the movement of capital and goods among member states of the OIC.

After member states adopted the General Agreement in 1983 and agreed on economic cooperation, the next step involved changing government regulations on trade liberalization and foreign investment to facilitate joint financial dealings. In Turkey, this phase coincided with the transition to civilian rule following the victory of T. Ozal’s Motherland Party in the 1983 elections. Nonetheless, the structural adjustment program of the January 24, 1980 Measures was already in line with the requirements of the General Agreement. The economic policies of T. Ozal and his Motherland Party extended the January 24 Measures regarding trade and foreign investment towards economic cooperation within the OIC. Turkey adopted a series of measures to implement the provisions of the General Agreement. The very first decision of the Ozal government in 1983 was to allow the establishment of Faisal Finance and the Al-Baraka Turk Private Financial Institutions (subsidiaries of the Saudi financial organizations) with special exemptions from Turkish bankruptcy laws (The Official Gazette, August 5, 1984). This decision was made even before Ozal’s government received a vote of confidence in Parliament.

The second decision of the Ozal government was to extend a tax exemption to the Islamic Development Bank and a number of Saudi finance institutions, (Mumcu, 1994b: 183). These financial institutions were granted a wide range of exemptions compared to other foreign companies which were

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14 Ozal's Motherland Party is of special significance in the political history of Turkey since for the first time in Turkish electoral politics a political party with strong Islamic activists in its ranks formed a majority government for more than six years in Turkey.
subject to Foreign Investment Laws #5821 and 6224 if they wanted to operate in Turkey. These measures were adopted to encourage greater economic cooperation among Muslim states through capital inflows from Saudi Arabia into Turkey.

Based on the general principles and policy recommendations of the General Agreement, the Action Plan makes further recommendations for the implementation of the provisions in the General Agreement. The Action Plan wants member states of the OIC to integrate gradually their foreign trade activities in order to create a free trade area. On several occasions the OIC has discussed the possibility of forming an OIC common market. The Standing Committee for Economic and Commercial Cooperation (known in Turkey as ISEDAK) was created in 1981 at the Third Islamic Summit Conference. In a related development towards greater Muslim cooperation, Turkey submitted a proposal to the Islamic Development Bank in 1982, recommending the free movement of goods, labour, technology and capital among member states. The proposal stressed that the goal of the Turkish government was to "place Turkey's industrial and technological expertise and experience at the disposal of the Islamic countries" (al Ahsan, 1988: 90).

Although this proposal, which expressed a desire for a Muslim common market, has not been raised for discussion in subsequent OIC conferences, ISEDAK (founded in 1981) became a medium for setting various areas of cooperation envisaged by the General Agreement. It was designed as a permanent committee to promote economic and commercial cooperation among OIC members. ISEDAK was funded by the Rabitat al-Alam al-Islami. Then Turkish President General Evren was elected as the director of ISEDAK in the Fourth Islamic Summit Conference convened in Istanbul in 1984.

The 1984 ISEDAK conference reaffirmed the politico-religious goals of the Shari' a Conference of 1976 and linked them to the economic goals of the General Agreement. More specifically, the ISEDAK conference adopted the following economic goals: 1- to establish a financial mechanism for medium-term foreign trade loans through the Islamic Development Bank; 2- to standardize trade regulations between member states; 3- to create an information network for trade; 4- to establish a preferential trading system among Islamic states; and 5- to promote joint investment ventures for industrial development of Muslim nations (Yesilada, 1993: 185).

The General Agreement sets out various areas of economic cooperation among Muslim states with
the objective of achieving solidarity around Islam. The Islamic Development Bank supported Turkey’s proposal to create a common market and implement the policy proposals of ISEDAK. The Bank began to invest a major part of its resources in financing trade among member countries. By 1983, the Bank financed 167 trade related operations by providing $2,403.66 million, 77 per cent of which ($1,853.00 million) was spent on trade among member states. According to its Eight Annual Report (1982: 39), exports among members rose 60 per cent from a low of 6.4 per cent in 1978 to 10.6 per cent in 1982, while imports rose 43 per cent from 8.3 per cent in 1978 to 11.9 per cent in 1982. The Islamic Development Bank operations appear to have increased the level of trade among member states. Nevertheless, trade among Muslim states is still at a low level.

The General Agreement provides a loose framework of cooperation among Muslim countries. Spread over an extensive geographical area comprising sizeable portions of Asia and Africa, OIC member states have promoted economic integration at the sub-regional and regional level before proceeding towards inter-regional economic cooperation. There are three main geographical groups in the OIC - African, Asian and Middle Eastern member states. These sub-regional organizations present a loose framework for economic integration. The record of performance on effective integration policy within these sub-regional organizations remains unimpressive. Nevertheless, the promotion of trade, trade liberalization and investment constitutes an essential element in OIC economic cooperation planning.

13.4.1. Muslim Cooperation: Turkish Trade and Investments in OIC Middle East Countries

Along with Kuwait, Iraq, Iran and Morocco, Turkey increased its trade among OIC countries quite significantly after adopting the structural adjustment program in 1980. The share of total Middle East trade in the manufactured exports of Turkey increased. The rate of increase was from 15.1 per cent in 1979 to 33.2 per cent in 1981, 40.3 per cent in 1983 and 41.9 per cent in 1985. Middle East trade was responsible for 45.5 per cent of the total increase in manufactured exports between 1980 and 1985 (Senses, 1990: 64-65). Iran, Iraq, Libya and Saudi Arabia were Turkey’s main OIC trading partners. Iranian and

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15 Iran is not a member of the Islamic Development Bank
Iraqi markets provided the greatest opportunities for the expansion of Turkish manufactured exports. By 1983 Iran became Turkey’s largest single export market, even larger than that of West Germany.

Between 1980 and 1983 Turkey’s exports to the Middle East were higher than those to EEC countries. Exports to the EEC declined from 47.2 per cent between 1976 and 1980 to 32 per cent between 1981 and 1983, and remained at 39.3 per cent during the 1984-1986 period (Kazgan, 1988: 322). Even though these figures reveal a trend of decline in the share of the EEC markets in Turkish exports, the statistical picture are incomplete. Agricultural products constituted the largest export category in Turkey’s exports to the EEC, while Turkey was exporting mostly manufactured goods to the Middle East. It is fair then to suggest that manufactured exports to the EEC might have been much lower in the total. Between 1980 and 1987 Turkey experienced a shift in its exports from agriculture to manufactured goods.

Manufactured goods made up 72.9 per cent of Turkish exports in the 1984-1986 period while agriculture was higher (61.5 per cent) in 1976-1980 period (Kazgan, 1988: 323). This shift was realized through Turkish entry into the markets of OIC countries.

The outbreak of the Iran-Iraq war in 1980 created additional demand for Turkish goods and fuelled the export drive. Between 1981 and 1985, cumulative Turkish exports to Iran and Iraq stood at $3.9 billion and $3.4 billion respectively. Exports to Iran which had fallen from $44 million in 1978 to $12 million in 1979 (owing to uncertainties created by the Islamic revolution) revived to $85 million (2.9 per cent of Turkey’s exports) in 1980. Exports to Iran reached a high of $1,079 million in 1985.

In spite of the export boom with the Middle East, Turkey still suffered trade deficits. Between 1981 and 1985 the cumulative trade deficits with Iran and Iraq were $1.4 billion and $2.6 billion respectively. With Libya the deficit was higher, at $2.7 billion (Robins, 1991: 104). These trade deficits were largely due to crude oil imports. Turkey had trade deficits with its three main oil suppliers (Iraq, Iran and Libya). Between 1981 and 1985 the cumulative cost of imports from Iran, Iraq and Libya amounted to $5.3 billion, $6 billion and $3.8 billion respectively, with oil representing the overwhelming proportion (Robins, 1991: 101-102).

Due to a decline in oil prices in 1986 and the increasing cost of the Iran-Iraq war, Turkey was able to lower its trade deficit with Iran. After the decline in oil prices in 1986, Turkey had a trade surplus with
Iran and its other main oil suppliers. Turkey also had trade surpluses with non-oil exporting countries such as Syria, Egypt and Jordan, as well as Saudi Arabia which was its secondary oil supplier.

Turkey's largest gains from expanding economic cooperation with Muslim states in the Middle East came through the inflow of foreign currency from Turkish contracting companies operating in the Middle East, and through the Turkish labour employed by them. There were 22 Turkish contracting companies in the Middle East in 1978 (Bagis, 1985: 92). That number reached 113 in 1981 and rose to 242 by 1982. By the mid-1980s there were more than 300 Turkish contracting companies in the Middle East (Orhon, 1989: 89). Before 1981, some $3.5 billion worth of contracts was awarded to Turkish companies. In 1981 this figure rose by almost 160 per cent to $9 billion. By 1985 the cumulative worth of contracts stood at $15.5 billion. The highest involvement of Turkish contracting companies was in Libya. The cumulative value of contracts in Libya was $8.7 billion, followed by Saudi Arabia (worth $4.9 billion) and Iraq ($1.3 billion) (Orhon, 1989: 91).

The expansion in the economic activities of Turkish contracting companies was accompanied by a rise in the demand for Turkish workers. These large contracting companies employed Turkish workers imported from Turkey. During the 1980s then, destination of worker migration changed from Western Europe to the Middle East where Turkish contracting companies were heavily involved (Robins, 1991: 105-106). In 1980 72.7 per cent of migrant labour went to Libya and Saudi Arabia. Libya absorbed the majority of this labour - 72.8 per cent of the total. Between 1980 and 1986, the number of Turkish migrant workers in Arab countries increased by over 210 per cent. By the end of 1985 there were 207,696 Turkish migrants working in Arab countries, 94 per cent of whom were active workers. In 1985 the majority of these workers were employed in Saudi Arabia (160,000), followed by Libya, Jordan, Iraq and Kuwait. In 1985 Saudi Arabia had the second largest number of Turkish migrant workers in the world, after West Germany.

The export of labour to Muslim Middle East countries benefitted Turkey in the form of worker remittances. There is no data which specifically shows the dollar value of remittances coming from Turkish workers in the Middle East. Nonetheless, there is data which indicates the total value of workers remittances after 1979. Since worker migration to Western Europe was terminated after 1974, this data
might be used to indicate the importance of the Middle East for the inflow of capital in the form of workers remittances. Worker remittances increased from $983 million in 1978 to $2,187 million in 1982 (SPO, 1985: 351). This increase was due to the remittances coming from Turkish migrant workers in the Middle East. The share of workers remittances in total export income was 35.8 per cent in 1982 (World Bank, 1984).

The expansion of Turkey’s exports in the Middle East, the growth of contracting companies, and labour migration, were not directly related to the implementation of the General Agreement programme which envisaged greater interregional cooperation and “Islamic solidarity” among member states of the OIC. The General Agreement lays down a framework for expanded and intensified bilateral and multilateral cooperation. Turkey utilized this framework, by virtue of its membership in the OIC, to establish and strengthen links with certain Muslim member states of the OIC on a bilateral basis. This was especially true between 1983 and 1986. It is, however, premature to discuss the impact of the General Agreement on Turkey’s export-oriented model of the period, since the OIC’s work on formulating rules for the implementation of the provisions of the Agreement is still continuing.

In addition to its economic links with certain states in the Middle East, Turkey has tried to increase its bargaining power vis-a-vis the EEC through its regional and sub-regional alignments with a number of strategically located OIC member states. When Turkey applied for full membership in the EEC in 1987 after a decade of uncertainty over its EEC status, its argument was that Turkey could link a vast geographical area occupied by OIC member states to the economic space of the EEC.

During the 1980s Turkey participated in the following sub-regional integrative schemes: Regional Cooperation for Development (RCD, Turkey, Iran and Pakistan); Association of South East Asian Nations (ASEAN, Malaysia and Indonesia); Bangkok Agreement (Bangladesh); Asian Clearing Union (ACU, Bangladesh, Iran, Pakistan). In addition, after the break-up of the Soviet Union in 1989 Turkey entered into a new sub-regional integration arrangement with Turkic-Muslim states of the former Soviet Union (Commonwealth Independent States) and Afghanistan. The Economic Cooperation Organization (ECO) was formed in 1992, with the participation of Turkey, Kazakhstan, Azerbaijan, Kyrgyzstan, Turkmenistan, Uzbekistan and Afghanistan (Toronto Star, November 29, 1992). The ECO is the extension of the RCD,
formed by Turkey, Iran and Pakistan. RCD members were incorporated into the ECO, which groups together countries comprising more than 25 per cent of the world's Muslim population. This is an important strategic weapon for Turkey, in the face of a decline in Turkish exports to the Middle East after 1986, as it tries to mobilize vis-a-vis the EEC.

13.4.1.1. The Change in Turkey's Economic Relations with the Middle East, 1986-1990

My argument is that Turkey's economic relations with the region were largely conjunctural to the high price of oil rather than its membership in the OIC, although economic cooperation with the Muslim states increased Turkey's strategic importance vis-a-vis the West. The fact that Turkey began to consolidate its relations with the EEC after 1986 supports this argument. Due to the oil price collapse in 1986, the oil-exporting Middle Eastern economies experienced an economic slowdown. This adversely affected Turkey's exports and contracting companies. Since 1986, Turkey's economic relationship with the Middle East has been a volatile one, largely because it was based on the high price of oil and the resulting petrodollars which accumulated in the hands of oil exporting states.

The first manifestation of the oil price collapse in 1986 was beneficial; Turkey's oil bill fell by over $1.5 billion (to approximately $1.8 billion in 1986). During the oil boom years the trade deficit was a constant feature of Turkey's trade relations with oil exporting countries. In the late 1980s, trade was very much to the advantage of Turkey. In 1985 Turkey's import bill from Iraq, Iran, Libya and Saudi Arabia was over $3.2 billion. In 1986 it had fallen to under $1.5 billion. And Turkey began to realize export surpluses with oil exporting Middle East states. From a deficit of $238.4 million in 1985, Turkey achieved a trade surplus of $393.8 million (Robins, 1991: 108). Turkey continued to register a trade surplus even after the partial recovery of oil prices in 1987. The trade surplus was still $13 million in 1987, although by 1989 Turkey had a small trade deficit of $50 million (State Institute of Statistics, February, 1990).

The other manifestation of the decline in oil prices was negative for Turkey's exports. The sharp decrease in oil revenues resulted in an immediate decline in the purchase of Turkey's exports by these oil exporting countries. In 1986 the value of Turkish exports to Iran, Iraq and Saudi Arabia declined by 48 per cent, 42 per cent and 17 per cent respectively. Turkish exports to the Middle East fell by $864 million (a
full quarter) (Robins, 1991: 108). By the end of the 1980s Turkish exports to the Middle East declined some 30 per cent. In contrast, the EEC accounted for 45 per cent of Turkish exports. In spite of the export decline, the 30 per cent share of Middle East trade in Turkish exports still represents an important role for the Middle East in the Turkish economy.

In relation to the contracting companies, after 1986 the value of contracts with the Middle East registered slow growth. In 1986 the cumulative value of contracts was about $17 billion (Orhon, 1989: 91). In 1990 this figure rose only 9 per cent to about $18.5 billion (Robins, 1991: 109). This slowdown affected the number of Turkish migrant workers employed in contracting companies. In 1987 there were 151,860. This represents a 27 per cent fall from a high of 207,696 in 1985 (Robins, 110). Nonetheless, labour migration to the Middle East continued at a higher rate than elsewhere. Although the market slowed down, Turkish contracting companies were still involved in construction projects in the Middle East.

With the eradication of trade deficits and growth in the value of contracts after 1986 (albeit slow growth), Turkey’s oil exporting trade partners in the Middle East became debtor states by the end of the 1980s. At the end of 1988, Iraq’s debt to Turkey was approximately $2 billion while Libya’s debt was some $400 million. Therefore, Turkey began to extend credits to its Middle Eastern trading partners in order to help finance Turkish exports and Turkish contracting companies. A new bargaining tactic also began, to exchange exports and investments by contracting companies with payments to be made in oil. For example, in 1990 Turkey agreed to extend a credit line worth $700 million to Iran. Approximately $300 million of this is being used to help finance Turkish exports. However, Turkey’s support of the US-led UN forces during the Gulf War of 1992 (through the closing of Iraqi pipelines in Turkey, the opening of NATO military bases to the U.S, and the imposition of an economic embargo on Iraq) resulted in Iraq ceasing to service its debt negotiated in 1989 in return for the provision of credits. This has been partly compensated for by Turkey’s improving relations with Iran, although Turkish-Libyan relations remain strained.

Since the decline of oil price in 1986, Turkey’s economic relationship with oil exporting Middle East states has been a volatile one. Nevertheless, a firm foundation had been laid down in the early 1980s, in the context of Turkey’s weakened relations with the EEC after the Cyprus War of 1974 and the rising oil prices of the late 1970s and early 1980s. Thus, the recent improvement in Turkish-Middle East economic
relations is conjunctural to changes in the world economy and geo-strategic relations. There is no direct linkage between Turkey’s membership in the OIC and its trade relations with Muslim states in the Middle East. These relations have not been structured by an emerging inter-regional “Islamic economic bloc” based on the platform of the OIC. However, closer economic relations with the Middle East have lessened the importance for Turkey of full membership in the EEC. There are attractive alternatives available to Turkey such as being a regional power in linking the Muslim Middle East to Central Asia, or a principal ally of the U.S in relation to the surrounding region, or full membership in the EEC again as a strategic link in the region. In all of these alternatives, it seems that the idea of “Islamic solidarity” on the basis of the OIC provides Turkey with strategic bargaining power. It is a weapon which Turkey introduced as a defensive strategy in its relations with the West during the 1980s, with the electoral victory of T. Ozal’s Motherland Party. The coming to power of Demirel’s True Path Party in the 1991 elections has also accommodated this attractive alternative. As a result, economic cooperation between Turkey and Muslim states in the Middle East can be expected to continue in the future.

13.4.2. Muslim Cooperation: Investment from Foreign Muslim Countries in Turkey

As already discussed, the Islamic Development Bank is the main financial institution of the Islamic Conference Organization. The Islamic Development Bank has acted to encourage joint ventures through both equity and profit sharing mechanisms. However, the accomplishments of the Islamic Development Bank (IDB) have been meager (al-Ahsan, 1988). By the end of 1986, the Islamic Development Bank held only a 0.67 per cent share of total foreign investment in Turkey (Kazgan, 1988: 328). The inflow of IDB capital in the form of project credits also stood at a very low level. Between 1979 and 1983 Turkey received a total of $375 million from the IDB, an average of about $75 million per year (Kazgan, 1988: 331). During the same period, however, Turkey received approximately $3 billion annually from other sources - mostly from the World Bank SAL programme.

The main source of Muslim investment in Turkey was from OIC member countries. Their share in total foreign investment was 13.7 per cent. Libya had the highest level of investment in total OIC investments (6.3 per cent), followed by Saudi Arabia (3.69 per cent) and Iran (1.83 per cent). The share of
EEC countries, however, was 32.8 per cent. The largest share of EEC investments belonged to West Germany with 11.9 per cent (Kazgan, 1988: 328 Table: XXXIV). Despite the low level of foreign Muslim investment, their rate of increase in investment was very high. Compared to other foreign investments made in Turkey between 1984 and 1986, Saudi firms have had the highest rate of increase in their investment activity. The number of Saudi firms increased by 4500 per cent. The rate of increase for other foreign firms changed between 39 and 140 per cent.

Table: 13. Foreign Investment in Turkey, 1984-1986

<table>
<thead>
<tr>
<th>Country of Origin</th>
<th>Number of firms</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>37</td>
<td>61</td>
</tr>
<tr>
<td>West Germany</td>
<td>47</td>
<td>59</td>
</tr>
<tr>
<td>France</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Great Britain</td>
<td>20</td>
<td>33</td>
</tr>
<tr>
<td>Holland</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td>Switzerland</td>
<td>51</td>
<td>63</td>
</tr>
<tr>
<td>Italy</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>Austria</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>1</td>
<td>28</td>
</tr>
<tr>
<td>Iran</td>
<td>1</td>
<td>10</td>
</tr>
</tbody>
</table>

Yesilada, 1993: 187

The figures in the table above reveal that all Muslim foreign investment came after 1980. And, OIC countries increased their investment activity in Turkey after 1980, at a much greater rate than the investments of EEC countries.

There is no evidence to suggest that such increases in investment activity on the part Muslim countries was directly related to Turkey’s membership in the OIC or the OIC’s efforts to achieve greater Muslim cooperation on the basis of the General Agreement. Rather, it appears that the high price of oil triggered the large rate of increase in Muslim investment in Turkey. When oil prices collapsed in 1986, there was a rapid downturn in Muslim investment. Just as the steep rise in oil prices during the Iranian revolution had provided opportunities for oil exporting countries to invest their petrodollar surpluses in foreign countries, the collapse of oil prices provoked an immediate decline in their foreign investment. In other words, increased investment in Turkey by OIC countries was conjunctural to the world price of oil,
rather than being a result of the trend towards greater economic cooperation among Muslim countries.

Nevertheless, Saudi investments, which were mostly in the banking sector, were intended to create a link between the resolution of the Shari’a Congress of 1976 and the economic proposals of ISEDAK, founded in 1981. Saudi Arabia used its petrodollar surpluses to extend aid and investment in other OIC countries. Basically, it distributed part of its petrodollar surpluses among OIC member states to establish a linkage between the Shari’a Congress and ISEDAK.

13.4.2.1. The Articulation of Saudi Capital to Turkish Politics: Faisal Finance and the Al-Baraka Turk

The linkage between the Shari’a Congress and ISEDAK was established through Saudi finance institutions - the Rabilat al-Alam al-Islami (Rabitat, in short), the Dar al-Maal al Islami, and the Al Baraka Group. An important part of the capital of these institutions is provided by ARAMCO. It is estimated that Rabilat’s capital is made up from 2.5 per cent of ARAMCO’s capital (Mumcu, 1994b: 176).

These Saudi Arabian finance institutions and their joint ventures with the politically significant Naqshbandi-affiliated businessmen mediated the inflow of Saudi capital to Turkey. Faisal Finance of Turkey and the Al-Baraka Turk are the most important Saudi-Naqshbandi joint ventures.

Financial links between the Rabilat and its Turkish partners were first established politically through Naqshbandi-affiliated parliamentarians. Among the 41 founding members of the Rabilat, there are two Turkish members, Salih Ozcan and Ahmet Gurkan. Salih Ozcan was a former Naqshbandi-oriented NSP parliamentarian while Ahmet Gurkan was a DP member in the National Assembly between 1950-1957. He later served as a JP parliamentarian between 1961 and 196516 (Mumcu, 1994b: 173). Among its operations in Turkey, the Rabilat provides financial support to the Eastern Turkestan Refugee Association, the Nationalist Turkish Student Union and the Institute of Islamic Studies at Istanbul University.

The other Saudi-based international finance institution is the Dar al-Maal al-Islami which was also financed by ARAMCO. Dar al-Maal al-Islami is a parent organization for 55 international Islamic banks.

16 Ahmet Gurkan was the first parliamentarian in 1950 to give a proposal in the Grand National Assembly asking for a return to the Arabic call for prayer in Turkey.

The founding members of Faisal Finance of Turkey are three politically influential Naqshbandi-affiliated parliamentarians, Salih Ozcan, Ahmet Tevfik Paksu and Halil Sivgin. Their holdings, which constituted the principal in Faisal Finance of Turkey were later distributed among 93 Naqshbandi-affiliated partners - influential members of the NSP and former ministers of various coalition governments during the late 1970s (Mumcu, 1994b: 178). Salih Ozcan and A.T. Paksu were themselves Naqshbandi. Among other Naqshbandi-affiliated parliamentary shareholders in Faisal Finance of Turkey is Cengiz Gokcek, former Motherland Party Minister of Health and the current Mayor of Ankara (from Erbakan’s pro-Islamist Welfare Party of Erbakan). At present, the Naqshbandi Ersin Gurdogan, who worked at the State Planning Organization during the late 1960s, is a director of Faisal Finance of Turkey.


The Al-Baraka founded the Al-Baraka Turk Private Finance Institution. The major shareholder in the Al-Baraka Turk is the Al-Baraka Investment and Development Cooperation of Jeddah (Baldwin, 1990: 25).

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17 Salih Ozcan, a former NSP parliamentarian, was the founding member of the Rabitat. Ahmet Tevfik Paksu was the former NSP parliamentarian and the Minister of Labour in the Demirel's Nationalist Coalition government. Halil Sivgin was the former National Action Party member, and in the early 1980s the former Vice-President and present parliamentarian of the Motherland Party.

18 The Welfare Party (WP) was founded in 1983 following the same political and ideological principles as the former NSP which was outlawed by the military coup in 1980. Erbakan became the leader of the WP in 1987 after a nation-wide referendum permitting former political leaders to involve in active politics.
25). The Al-Baraka Turk was founded as a joint venture between Al-Baraka of Saudi Arabia and Korkut Ozal and Eymen Topbas in Turkey. Korkut Ozal is a younger brother of former Prime Minister and President of Turkey Turgut Ozal. He is a prominent Naqshbandi and a former NSP parliamentarian and Minister of Agriculture. Korkut Ozal also worked as a consultant for the Islamic Development Bank (Mumcu, 1994b: 183). Eymen Topbas is also a key politician in the Al-Baraka Turk. At the time of the founding of the Al-Baraka Turk, he was the Chairperson of the Motherland Party’s Istanbul provincial branch (Mumcu, 1994b: 180). (As previously noted, T. Ozal was leader of the Motherland Party.)

The linkage between the Saudi international finance organization of the Al-Baraka and several newly founded industrial and trade corporations was mediated by the prominent political figures of the Naqshbandi order. The Hak Yatirim A.S. (the Just Investment Joint Stock Company) and the Hak Ticaret A.S. (the Just Trade Joint Stock Company) of the Ozal and Topbas families became the founding members of the Al-Baraka Turk. K. Ozal’s partner, Talat Icoz of the Ozbayrak Trade & Industry A.S. is also a member of the Al-Baraka Turk. The Bayraktar family of the Petotrans Nakliyat (Petotrans Transportation), the Kalaycioglu family of Fenis Holding, and the Teymur family of ISPA Trade & Industry and Marketing A.S., were all linked to Al-Baraka Turk and Saudi capital via their business partnership with Korkut Ozal and E. Topbas (Mumcu, 1994b: 181-182).

Both the Al-Baraka Turk and Faisal Finance of Turkey have been important players in the Turkish economy, through their expanding Naqshbandi-affiliated companies, which have begun to challenge the large business members of the TUSIAD, such as KOC and SABANCI holdings. The new economic enterprises of these Naqshbandi-affiliated businessmen have benefitted from close political ties to the Motherland Party government of Turgut Ozal and his economic liberalization policies of the 1980s. In this arrangement, the key Naqshbandi businessman is Korkut Ozal, Turgut Ozal’s brother.

Both the Al-Baraka Turk and Faisal Finance of Turkey operate within the commercial banking system of Turkey. The expectation for the year 1993 was that these Islamic banks of Turkey would accumulate about one-tenth of all domestic bank deposits (Moore, 1988: 7). Both Al-Baraka Turk and Faisal Finance engaged in trade financing for Turkish exporters and importers. Well over 90 per cent of

19 There is no data available to confirm whether this expectation has been reached.
their funds were used to finance trade. In 1987 the Al Baraka Turk provided finance for 1166 trade projects valued at T.L. 110 billion. This was more than twice the number of projects financed in 1986 and represents an increase of approximately 141 per cent in the value of such financing (Baldwin, 1990: 31). It should be noted here that the main beneficiaries of trade financing by Saudi financial institutions were the newly emerging companies of pro-Islamic businessmen, and not the foreign trade companies founded by large exporting members of TUSIAD.

The most common method used by these institutions for financing trade was called the Murabaha technique. Due mainly to murabaha financing of oil imports (of which the Al Baraka Turk provided $150 million and Faisal Finance $50 million for the oil imports of Turkey in 1987 (Baldwin, 1990: 31)), both the Al-Baraka Turk and Faisal Finance of Turkey invested most of their funds in chemicals and the petrochemicals sector. The Al-Baraka Turk invested 40.7 per cent of its funds in the chemical and petrochemical sector. The machinery and equipment sector also received significant funding from these finance institutions. In 1986, the Al-Baraka Turk supplied 28.2 per cent of its funds for the machinery and equipment sector while Faisal Finance supplied 19.7 per cent (Baldwin, 1990: 33).

The other alternative banking technique used in the expansion of the Islamic sector is Musharaka finance. 49 musharaka or profit-and-loss sharing projects were set up in 1987 by the Al-Baraka Turk as compared to 14 in 1986. The total value of these projects financed in 1987 was T.L. 9.9 billion. The musharaka projects made up 3 per cent of all loans and investments of Faisal Finance (Baldwin, 1990: 32).

As is the case with Faisal Finance of Turkey and the Al-Baraka Turk, the Saudi capital which entered Turkey since 1983 was invested mostly in the banking sector through joint ventures. These financial institutions provided interest free loans, by employing a variety of Islamic financing techniques with the newly emerging, smaller size trade companies. A large percentage of these companies are owned by pro-Islamic businessmen. One of the major objectives of these institutions is to develop interest-free

20 In the Murabaha technique, the Islamic bank purchases goods that a trader wants and then sells them at an agreed markup. As opposed to simply lending money to a client at a fixed interest rate, the murabaha technique is accepted as legitimate since it does involve a certain risk for the bank, and thereby the bank derives profit from the service that entails risk (Khouri, 1987: 18).

21 In musharaka financing the bank enters into a partnership with a client in which both share the equity capital of a project and the profits or losses according to their equity shareholding (Khouri, 1987: 18).
banking in economic activity.

In contrast to the attempts on the part of the Turkish government to encourage export and investment in the Middle East through large scale foreign trade companies, Saudi finance capital encourages the growth of smaller companies engaged in trade and joint investments through various profit/loss sharing techniques and interest-free loans.

There is a dominant view among Muslim scholars that an Islamic economy has to be based on Islamic law, which presents itself as an integrated, comprehensive and universal whole, embracing all aspects of life. According to this view, Islamic economic activity must be based on the internalization and total incorporation of the Islamic value system by all members of the Islamic community (ummah). Islamization of the economic system thus hinges on the establishment of an Islamic state capable of enforcing the Shari’a (Choudhury and Abdul Malik, 1992). In practice, however, a study of economically relevant aspects of the Qur’an and the Sunna does not lead to the formulation of a single, generally accepted prototype for an Islamic economic system (Nomani and Rahnema, 1994). There is a variety of different views on what an Islamic economic system should be. Nonetheless, profit/loss sharing is a firmly established and broadly accepted Islamic form of contract on which Islamic businesses can be established. Prohibition of interest constitutes another dimension of Islamic economic activity. Banks are barred from paying interest on deposits and borrowers do not pay interest on loans. In addition to interest-free loans, banks also enter into profit/loss sharing contracts. Nonetheless, Muslim scholars agree that the extent to which the Shari’a provides the criteria for economic activity depends on the creation of an Islamic state capable of enforcing the Shari’a.

13.5. Political Constraints on the Turkish Export-Oriented Model

The central question of the 1983-1990 period was how to balance a strong commitment to trade liberalization with a growing imbalance in the economy. A reduction in domestic demand for manufactured goods, a massive inflow of foreign capital and various government incentives were the factors behind the success of the Turkish export-oriented model. The reform programme of the 1980-1983 period resulted in a marked change in income distribution, with wage earners, farmers, low level bureaucrats and small-
medium size producers emerging as the principal losers. Export-oriented large industrialists were the primary winners.

In the absence of electoral competition during the military regime between 1980-1983, the structural adjustment programme was initiated by a government with a strong commitment to liberalization. General Evren, who led the military coup in September 1980, maintained that an economic program such as the January 24 Measures required a strong government capable of remaining in power for 5 to 10 years (Milliyet Newspaper January 24, 1990). The military coup provided the January 24 Measures with a forward momentum and came as a response to the political uncertainty surrounding Demirel’s minority government. Before the coup, the military high command was well informed about the Measures. Ozal himself had briefed the military high command on several occasions about the nature, progress and difficulties involved in the implementation of the program (Colasan, 1983: 101-111). After the coup, General Evren appointed Turgut Ozal, as Deputy Prime Minister and Minister of State responsible for the economy. It was Ozal’s responsibility to implement the program. By taking advantage of the political stability created by the military 22, Ozal managed to mobilize the state bureaucracy to design policies with the desired level of cohesion and continuity. His aim was to elevate large industrialists to a dominant position in the populist equilibrium.

After the re-establishment of multi-party democracy in 1983, the Motherland Party (MP) of Turgut Ozal came to power. The MP was established as a populist party, forming a broad right of center coalition among various groups and classes with potentially conflicting interests. As a brand new party the MP continued in the footsteps of the Justice Party of Demirel (the principal center right party of the 1960s and 1970s which was closed down by the military after the coup) and the former Democrat Party of Menderes. After its electoral victory in 1983 the MP was faced with the problem of consolidating a solid electoral base. The MP had some disadvantages. Its commitment to adjusting Turkish society and the economy to a liberal-market-oriented programme meant that a number of groups and social classes would emerge as

22 The military coup provided political stability for the implementation of the Measures by eliminating opposition at all social levels, including the parliament, political parties, trade unions, student organizations and so forth.
losers. Thus, the political project of elevating export-oriented large industrialists to a dominant position in the economy was politically highly risky.

Moreover, the MP, which was trying to form a broad center-right coalition among a variety of groups within the party, was divided between a liberal wing and Islamist wing. This effort was based on the fact that all political parties of the previous era were disbanded by the military government. At the same time, all potential parties and all politicians from previous era were screened and prevented from seeking elections, except for the ones approved by the military government (Erguder and Hofferbert, 1988: 95). Therefore, the MP, as a populist party, tried to include a variety of political persuasions in its party structure. Nevertheless, the liberal and Islamist wings were the main factions within the party. The tension between these two political wings became explicit during the second half of the 1980s. By the 1987 elections the MP lost some of its liberal wing politicians to the newly-established True Path Party of Demirel, which claimed to be the successor of the former Justice Party. Some members of the Islamist faction went to the pro-Islamic Welfare Party of Erbakan, which claimed to be the successor of the former NSP. These defections from the MP were a result of efforts towards re-forming populist alliances within the new center-right True Path and pro-Islamic Welfare Party. Both the True Path and the Welfare parties were trying to incorporate small-medium size interests in the social coalition of the export-oriented economic model. In the 1987 elections Demirel’s True Path Party received 19.1 per cent of the votes while the WP received 7.2 per cent. The MP received 36.3 per cent of the vote and formed a majority government in 1987 (Erguder and Hofferbert, 1988: 100). In the 1991 elections Demirel’s True Path won the elections. It governed until the political uncertainties of the present era - created by a coalition government formed between the True path and the pro-Islamic Welfare Party in 1995.

The MP emerged as a new center-right party in the 1983 elections in the context of a political void created by the absence of the old parties. The conflict between the two main factions of the party (liberal and Islamist) manifested itself in economic strategy. The liberal wing was in close association with the new managerial bureaucracy and wanted to proceed with the liberalization programme led by large exporting capitalists. The pro-Islamic faction, in contrast, was in favour of broadening state power as an instrument for greater protection and expansion of state infrastructural investment.
The rising factional conflicts within the MP explains why the government has increasingly relaxed its programme of export-promotion and followed an expansionary strategy during the second half of the 1980s. The social costs, generated by the structural adjustment programme, began to receive more attention. A more sceptical scenario regarding the future of government support for Turkish exporters was already expressed. Concerns over the rising cost of government incentives due to the expansion in exports, and reactions by other interest groups to the privileges of foreign trade companies were voiced frequently.

Moreover, external pressures played an important role in shaping the economic strategy after 1986. As mentioned earlier, the five SALs were affected in consecutive years between 1980 and 1984 rather than being distributed over a longer period of time. By the end of 1984 external constraints on government action to pursue a structural adjustment program were lifted for the most part. In addition to domestic political constraints, this also explains the government's decision to relax its programme. After 1984, the World Bank and IMF continued to have an indirect influence. The practice of utilizing extra-budgetary funds (EBFs) and export tax rebates was subject to strong criticism. Turkey and the GATT agreed on the "Subsidy Code" (Ilkin, 1991: 95). Under this code, reductions in incentives began at the end of 1985 and continued intermittently. As a result, 30 per cent of EBFs revenues were transferred to the consolidated budget and the export tax rebate system was eventually removed by the end of 1988 (Onis, 1991: 39). The key reason for external constraints was the increasing foreign debt of Turkey. However, there was no direct conditionality imposed on Turkey in the second half of the decade.

The rise in foreign debt contributed to the changing priorities on the part of the government. During the entire period of the 1980s the total foreign debt, including the short term debt, continued to rise, from $16.5 billion in 1980 to $20.8 billion in 1984 and then to $38 billion in 1987. It reached more than $60 billion in the first half of the 1990s. In spite of record export growth, medium and long term debt servicing costs kept rising. The costs of debt servicing as a percentage of exports increased from 26 per cent of export earnings in 1984 to 37 per cent in 1986. The cost exceeded 60 per cent of exports in 1988 (Baysan and Blitzer, 1990).

There was talk on the need for a new model. The major thrust of the government's response to these problems could have been to encourage production in new high technology areas. However, private
sector investment in industry, the target sector of the export push, remained negligible. Growth in exports did not result in an outburst of private investment activity to generate repayment capacity in the economy. The diversion of loanable funds to public infrastructure and the distribution of a substantial proportion of funds to export trade all contributed to a decline in total investment in manufacturing, which fell from 4.8 per cent of GNP in 1983 to 3.7 per cent in 1987 (Balkir, 1993b: 161). This decline negatively affected the incorporation of new technologies. That is, export growth of the period was sustained largely by reductions in domestic demand, export incentives and capacity utilization, which was realized before 1980 while the public investment in infrastructure, financed by foreign loans, sustained growth rates (E. Kiray, 1990: 261).

The export boom did not create a significant structural change in the manufacturing sector favouring export-orientation. There was no increase in foreign investment in export-oriented industries either. Since there was no increase in private investment, export growth rates in the 1980s were, in fact, unsustainable.

The MP government tried to demonstrate that its policies did not necessarily coincide with the interests of the large foreign trade companies. As a result, the MP reduced a number of incentives granted to foreign trade companies in 1985 and 1986 (Ilkin, 1993: 95). Nevertheless, the government continued to increase funds allocated to exporters involved in Middle East trade after the decline in the price of oil. Towards the end of 1988 the government lowered the required minimum value of exports from $100 million to $50 million (Ilkin, 1993: 97) in order for foreign trade companies to qualify for loans. This prompted a reaction from small-medium size producers as well as from the general public, who feared that the costs of increasing exports would be transmitted to them. Thus, starting in 1989, monetary incentives were totally lifted, and the government showed restraint in introducing new incentives in order to control public deficits and improve the economic position of other interest groups. In mid-1989, the government made it more difficult to form a foreign trade company by raising the minimum required capital to TL 5 billion, and for annual exports, to $100 million (Milliyet Newspaper 1 August 1989; Dunya Newspaper 28 July 1989). These measures led to a deterioration in relations between the government and large exporters, as the government was being pressured by small and medium scale producers and other social categories disadvantaged by its export-promotion programme.
13.6. Islamic Opposition

Turkey’s economic strategy in the 1980s displayed a certain tension. A series of measures adopted to liberalize the economy was accompanied by a growing involvement of the state in the economy. The rise of domestic political pressures created problems for the further implementation of the structural adjustment programme. These pressures, as well as the claims of large exporters related to incentives, created a system of conflicting interests that reflected a shift in political choices by the government. It was this question of balancing further liberalization and domestic legitimacy in terms of government preferences that threatened the very basis of a longer-term programme of liberalization. It is the very same question that continues to shape present day uncertainties in Turkish economic strategy during the late 1990s.

The tension between a longer-term liberalization and domestic legitimacy became evident with the growing opposition of the Naqshbandi tariqa and the newly formed pro-Islamist Welfare Party of Erbakan. As was the case during the 1970s, both the Naqshbandi tariqa and Erbakan’s Welfare Party continued to advocate national planning against the IMF/World Bank-imposed conditionality of structural adjustment to the market-oriented model (Cakir, 1994; Oguz, 1994).

The Welfare Party had developed a structural critique of the export-promotion model. Its focus is on sectoral imbalance and its distributional implications, excessive reliance on foreign loans/debt and technology, and its transfer to inappropriate products and consumption aspirations. By rejecting the neo-classical policy prescriptions of the IMF and the World Bank for “getting the prices right” (especially interest rates and exchange rates), the Welfare Party does not view the export-oriented model as an alternative to the previous state-directed industrialization model, but rather sees them as complementary to each other. Thus, the WP advocates effective state intervention on a highly selective basis to substitute for imports in intermediate and heavy industries. It is the emphasis given to the complementarities between the two strategies that the WP calls the “national” economic model. The “national” economic model needs to be planned by the state independent from IMF and World Bank policy prescriptions.

The Welfare Party is a pro-Islamist party which represents the growing opposition of largely urban marginals and small/medium size business interests who were adversely affected by the structural adjustment policies of the T. Ozal’s Motherland Party during the 1980s (Cakir, 1994). The Welfare Party
has risen in domestic politics by reorganizing a populist social coalition politics against the dominant position of large exporting industrialists in the economy. It has shaped its opposition through an appeal to Islam. At the same time, it builds on the possibility of a new Islamic bloc in the emerging international order. This involves incorporating transnational politics and an economy of Islam, which is developing on the platform of the Organization of the Islamic Conference (OIC), into the state structure. According to the Welfare Party, the establishment of an Islamic state capable of enforcing the Shari’a in each Muslim member state of the OIC is an initial step toward coordinating national policies on the basis of Islam. An Islamic bloc and/or Islamic solidarity among member states can only be achieved through the Islamization of social and political structures of member states. On the part of the WP, the formation of an Islamic bloc appears to be a defensive strategy against the Western imposition of certain economic models on Muslim countries. The Welfare Party utilizes the historical example of the Tanzimat period of the Ottoman Empire to construct an analogy for the destructive effects of the Western-imposed models on the state.

13.7. Conclusion

The particular conditions in the international context of the late 1970s and 1980s accompanied the structural adjustment programme and helped to strengthen state power vis-a-vis domestic political pressures. The Islamic Revolution in Iran and the resulting rise in oil prices helped to shift the balance in favour of Turkey in the 1980s. There was a shift in American arguments concerning the marginal importance of Turkey for the southern flank of NATO. Under the conditions of the 1980s, Turkey’s strategic location attracted deeper consideration than a mere acknowledgement of Turkey’s indispensability to NATO. There was a fear that revolutionary Islamic politics could spread in the region. The concern was that the U.S could end up shifting from a position of having several security options to having no choice at all. Thus, the U.S did not pay much attention to whether there was a pro-Islamic movement in Turkey; nor was there any attention paid to the social-distributional roots of the economic crisis Turkey experienced during the late 1970s. All emphasis was placed on the provision of aid and ready-made policy prescriptions to adjust the economy to an export-promoting model led by large exporting capitalists. A policy of preventing domestic demand from growing and the inflow of massive foreign capital constituted the
backbone of the structural adjustment programme.

A series of measures was adopted towards liberalizing the economy. These measures were accompanied by a growing involvement of the state in the economy. In the process, the state did not retreat, although there was a shift in the type of state intervention; nor did market forces expand independent from the state in the liberalization experience. But there was a significant re-structuring as well as further centralization of the state apparatus. State power was centralized in the Office of the Prime Minister. The executive power of the Office of the Prime Minister was strengthened vis-a-vis the legislature and the cabinet, while the policy formulation and implementation powers of a new group of managerial technocrats grew in the bureaucracy.

It was the emerging trend in the Middle East towards re-organizing Muslim politics on the platform of the OIC that opened up a new alternative for Turkey. Turkey utilized the emerging framework of Muslim economic cooperation to enter the markets in certain Muslim countries in the region. The war between Iran and Iraq created a practically “captured” market for Turkish exporters and contracting companies. But, opportunities created by the war were greater than those resulting from efforts to building an Islamic solidarity envisaged by the General Agreement of the OIC. Even though the entry of Saudi Capital into the Turkish economy occurred through a complex network of Muslim relations emerging on the basis of the General Agreement, it did not represent a major force in shaping the national economy. Nonetheless, Saudi capital and Saudi investment in the banking sector helped to strengthen a number of smaller size pro-Islamic trading and industrial interests through their joint ventures with Saudi companies. It was this group of pro-Islamic private capitalists of small-medium size companies that raised opposition to the social costs of the government incentives which favoured large exporting industrialists.

The growing importance of the Middle East for large Turkish exporting and contracting companies was conjunctural to the shifts in oil prices. After the decline in the price of oil in 1986 Turkey began to cultivate closer relations with the EEC. That is to say, regional Muslim politics directed towards creating a framework for Muslim economic cooperation did not have more impact on the direction of Turkish trade than the positive conditions created by high oil prices.

Regional Muslim politics did not alter the national economic strategy of Turkey. There was a
correspondence between the trade liberalization principle of the General Agreement and the structural adjustment programme of Turkey. It was this correspondence that Turkey tried to utilize in order to establish a strategic link between Muslim member states of the OIC and the EEC. In other words, Muslim politics in the region provided Turkey with strategic bargaining power in its relations with the EEC. This does not confirm the notion of an alleged ascendancy of market forces and decline in state power. Rather, it indicates that the goal of the government was to combine a defensive and/or protective economic strategy with the economic opportunities created in the region. In this effort, the government was not necessarily interested in furthering political and economic restructuring for the sake of liberalization; nor involved in enforcing regional integration. Rather, the goal of the government was to bargain with EEC countries over the possibility that Turkey could link a vast geographical space of Muslim countries to the economic space of the EEC.

Given the fact that there was no direct conditionality after 1984, domestic political pressures increasingly prevailed over external constraints imposed by the IMF and World Bank during the second half of the 1980s. There were emergent tendencies toward greater protection of economic life. This became apparent through the resurgence of a pro-Islamic political movement around questions of culture, and the social distribution of benefits and costs issuing from the structural adjustment programme and national regulation. The central question here relates to balancing a series of measures in the direction of liberalizing the economy and domestic legitimacy. This question was played out by the growing role of Islam in domestic politics. I will examine the growing Islamic opposition in Turkish domestic politics in the next chapter.
XIV. ISLAM AND DOMESTIC LEGITIMACY: THE 1980s

The 1980 structural adjustment program in Turkey was accompanied by the growing importance of large export-oriented companies and Naqshbandi affiliated smaller companies in the Turkish economy. This added a new dimension to internal political relations. A “moderate Islamic” ideology was consolidated in the state structure. The harsh measures adopted in the structural adjustment to an export-led economic model with respect to medium/small business interests and labour required a political mechanism for mobilizing domestic support and imposing a new form of order and stability. The new domestic form of order consisted of a new experiment in a political alliance structure based on a political compromise between secularist and Islamic elites. Consequently, contending Islamic projects were incorporated into the state ideology in the form of a Turkish-Islamic Synthesis. This ideology drew on older Islamic orders such as the Naqshbandi tariqa, and gained institutional strength from transnational Islamic institutions and Saudi finance. The growing number of wakfs (religious charity & educational foundations) and Qur’an schools which operate outside the formal framework of the state educational system as well as the state Imam-Hatip schools are clear examples of the shift in official state ideology to a Turkish-Islamic Synthesis.

The articulation of pro-West economic liberalism with the ideology of a Turkish-Islamic Synthesis may be perceived as incongruous. This perception derives from a particular view of the globalization thesis. Waters (1995) argues that globalization tends to encourage economic liberalism, political democratization and cultural universalization. If one were to extend this line of reasoning, it would be plausible to believe that Islam represents the resurgence of the “archaic”, a traditionalist reaction against the democratizing tendencies of the globalization process. In his highly provocative Jihad vs. McWorld (1995) Barber makes a similar argument for the emergence of two trends in the world today - trends which are antithetical. On the one hand is jihad which represents the parochial ethnic and religious allegiances that tend to balkanize and separate different regions of the world. On the other hand is McWorld which denotes a universalizing economic market that fosters a homogenizing popular culture - a global culture that threatens local forms of livelihoods. In this approach the term jihad combines a variety of emergent forms of nationalism into an undifferentiated whole.

427
It is not my objective here to discuss the falsity of such arguments or to elaborate on the extent of the broad variations existing within the “Muslim world”. However, it should be pointed out that these views suggest a zero-sum relationship between modernity and tradition. The role of tradition/religion in society is expected to recede in time. This is essentially a replication of modernization theory. Youssef (1985) offers another example of a perspective which conceives of tradition as having an almost total structuring effect upon society. Consequently, Islam appears as the revival of “the archaic” or the rise of a “nativism” which underpins social action. Reduced to its bare essentials, a little known foreign religion of distant peoples acquires a new “closeness”, whereby distorted notions of violence and Islamic culture are embedded in the minds of many around the globe. However, the question of how one explains the rise of religious nationalism in a world of increasing transnational domination by capital remains unanswered.

What accounts for the simultaneous rise of a market principle in the economy and religious sources of nationhood in politics? Is there a direct correspondence between these two separate economic and ideological-political processes? In an effort to provide some understanding of this correspondence we must grasp the historicity and specificity of the conjunction between these separate processes. In the following discussion, I will shed some light on the role of Islam in 1980s Turkey. My analysis will focus on the politics of different Muslim groups, in an effort to assess the impact of Islam on Turkey’s articulation with larger economic, political-military and ideological processes. I suggest that Islamic ideology and religious institutions constitute the political arena for playing out the tensions between the national and international spaces of power relations.

The rise of Muslim politics is more complex than a traditionalist desire to return to a “golden age”. Although there is some unchanging continuity in its ideological and institutional arrangements, this continuity interacts with changeability in national as well as international politics. In this sense, the rise of Muslim politics cannot be seen as being outside the globalization process. It is very much a part of the formative process of globalization.

In The Great Transformation Polanyi (1944) spoke about the “double movement” - the commodified economy that destroyed established social relations and practices, and the simultaneous and spontaneous effort to resist the devastating consequences of commodification on the lives of people. A
similar dialectic of globalization and resistance is present in my analysis. I view Muslim politics as a protective response in the face of structural adjustment to a market-oriented economy. There are two dimensions in this formulation: 1- Muslim politics desires to strengthen the nation-state by Islamic legitimacy vis-a-vis global restructuring of lives and livelihoods. This dimension entails a belief that Islam justifies rather than determines government action; 2- Islam presents an alternative project for national economic planning, and builds on new regional alliances in the emerging power relations of the state system. This dimension qualifies the linkage between transnational and national levels of the economy. From the combination of these dimensions it may be surmised that Turkish-Islamic Synthesis ideology has emerged under the constraints of balancing the transnational expansion of market forces and domestic legitimacy. It represents a “neo-Ottomanist” ideology in reshaping the relationship between the nation and the state on the one hand, and the nation-state and emerging international order, on the other.

14.1. Turkish-Islamic Synthesis Ideology

The principal concern of the military regime (1980-1983) was the political and institutional restructuring of Turkey. It was determined to depoliticize urban marginal groups and the youth who had come to play such an important role in the growth of political tensions during the 1970s. This required crushing every manifestation of ideological politics, including the Left and ultra-nationalist movements (Belge, 1987; Agaogullari, 1987; Vaner, 1987; Heper, 1988). The military saw the Islamic concept of ummah (community of Muslims) as a panacea for containing the Left. Nevertheless, the promotion of ummah was under strict state control. The military government saw state controlled Islam as an effective way to deal not only with the Left, but also with more radical manifestations of the parallel-underground Islam of the religious orders. The official policy with regard to Islamic politics was based on an ideology called the “Turkish- Islamic synthesis”, which sought to combine Turkish nationalism with Islam (Guvenc et al., 1991).

This approach was picked up by the Motherland Party after it came to power in 1983. The MP attempted to forge a synthesis between a market economy and Islamic values. MP ideology is based on a loyalty to Muslim cultural values and an orientation toward economic liberalism through which Turkey
would be integrated into the world economy. The Turkish-Islamic Synthesis was designed to create a national consensus around the new Islamic development project.

Turkish-Islamic Synthesis ideology was a product of the MP’s Muslim social engineering of society. The MP inherited the former NSP’s pro-Islamic vision of rebuilding a new society with advanced technology and industry via a return to religious belief and cultural tradition. The industrialization and economic development of Turkey would rest on the moral strength and legitimacy of Islam (B. Toprak, 1993). The presence of a pro-Islamic wing within the party was a crucial dimension of the MP’s political strategy which combined Muslim cultural values with the economic development project of the period. A Holy Alliance (Kutsal İtfak) was formed between liberal and pro-Islamic groups within the Motherland Party, pushing for the institutionalization of a Turkish-Islamic Synthesis in the state structure (Turkish Dailies 20-25 June 1988). A special emphasis was placed on the role of religion in the state educational system to cement different, and often contradictory, societal demands. A reinterpretation of Ottoman-Islamic history opened the way for an incorporation of Islam into the nationalist ideology of the 1980s. A more tolerant approach to tariqa (religious orders) activities was also part of this “national consensus” project.

This new formulation of official state ideology settled one persistent question in the political debate over the place of Islam in the definition of nationhood in Turkey. As discussed extensively in Chapters 4, 5 and 6, this debate dates back to the second half of the nineteenth century (the Tanzimat period) when Ottoman reformers initiated a wholesale westernization program to restructure the Ottoman state along secular principles. These reformers thought that they could save the Ottoman Empire from its apparent decline with the wholesale adoption of Western cultural values. This was opposed by the Pan-Islamist reformers of the Abdulhamit era. Islamists advocated the adoption of western technology, not its culture. Islamists argued that a nation which turned its back on its own culture could only produce a rootless, structureless imitation. For them, this was a call for disaster. This controversy was temporarily settled with the establishment of the Turkish Republic in 1923. The westernization project won out, and the distinction between culture and technology was rejected. The Kemalist elite settled the controversy by eliminating any possibility of opposition against the ruling party and by denying any legitimacy to Islam
and other aspects of local cultural identity. For Kemalists, technology and culture were seen as a unified whole. Industrialization, therefore, required a wholesale adoption of western values. Nonetheless, with the establishment of the multi-party regime in 1945 and the rise to power of the Democrat Party in 1950, the intellectual debate on Islam re-emerged. By incorporating rural producers into the national economy the DP also integrated small producing peasants and their Muslim beliefs and practices. The debate on Islam at that time was over the meaning of secularism. According to pro-Islamists secularism meant a total separation between religion and state. On the basis of this definition, they argued that secularism in Turkey meant state control over religion rather than the separation between the two spheres. During the 1970s, the debate over culture versus technology was revived within the NSP. By focusing on economic protection in order to develop heavy industry in Turkey, the NSP popularized the theme of “Western imperialism”, and thus offered an alternative to the leftist movement. The NSP called for the rebuilding of a new society with advanced technology and industrialization through a return to religious beliefs and distinct cultural values. This appears to be a radical approach, defined by the defence of a model of economic development based on a closed national economy and rejection of the West while promoting cooperation with member states of the OIC. The Motherland Party introduced a moderate Islamic twist to the development model of the NSP (Gole, 1993). The Turkish-Islamic Synthesis ideology of the MP integrates Islam as a cultural-moral value within the strategy of competitive export-oriented economic model. Thus, the MP settled the historical debate over culture and technology by institutionalizing the belief that what was needed was the adoption of western technology, not its culture. This ideological shift was rooted in the changing perception of the West. During the 1980s the West was no longer perceived as a coherent cultural unit of modernity combining cultural values, political arrangements and economic principles of technological and industrial development into a totality. It was regarded as a technological-industrial power within the larger economic space of global competition.

The rise to power of new managerial-technocratic cadres within the bureaucracy corresponded to the ideological shift in the perception of the West. These new bureaucrats were engineers (Gole, 1993). In fact, the majority of parliamentarians and cabinet ministers in the post-1983 period also had an engineering background. Since the 1987 elections, 45 per cent of parliamentarians have been engineers and architects.
This change in the structure of parliament had already begun by the mid-1960s. For example, in the 1970s 25 per cent of parliamentarians in the pro-Islamic NSP had an engineering background. The post-1983 era marked a decisive break from the over representation of civil servants and retired military officers in parliament. The rise to power of a cadre of technocrats underpinned the shift in the perception of the West from a center of secular cultural values to a center of science and technology.

The new bureaucrats with an engineering background sought a new model of industrialization through government policy which, to a large extent, would be under the influence of pro-Islamic ideology (Gole, 1993; Gole, 1986). Most of the new Muslim engineering managers came from modest lower-middle class family origins - from small Anatolian towns with a Muslim cultural background. Much of their upward social mobility was due to their achievements in technical education. After graduating, many of them worked in SEEs, the SPO and the private sector. Thus, their experience in the SEEs and the SPO as well as in the private sector enabled them, during the post-1983 era, to hold critical positions in the government. Gole’s study (1993) of the biographies of these engineers is an illustrative one. I will quote two examples from her work. The first example pertains to a manager from an Islamic Banking Institution.

“I am 42 years old. I was born in Eskisehir, and completed my secondary education there ... I was brought up in a Muslim family, in a Muslim environment. At the university, I studied mechanical engineering. Then I attended a one-year postgraduate programme in business administration. I spent a year and half in England and, for three years, I taught at a university in Saudi Arabia. Then, for four years, I worked as an expert at the SPO. Now I am working in a private company.” (Gole, 1993: 207-208).

Another example relates to an engineer who combined a religious background with a secular education, then followed a political career and became Secretary-General of the Istanbul Provincial Organization of the MP.

“I was born in Maras. I am the first engineer in my family. Since the time of my grandfather, every member of my family has been educated. But they all studied religion (through private lessons). It was only I who studied “profane sciences”. I graduated from the Engineering Faculty of Istanbul Technical University, and ran an engineering project company. Then I taught at a university. I resigned from my post at the university on 17 September 1983, and became a founding member of the MP.” (Gole, 1993: 208).

These engineers played a prominent role in formulating the new export-oriented industrialization

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1 Gole does not specify the names of these engineers, and she does not provide an explanation for her reason. This could be related to the respondents’ wish to remain anonymous for various reasons. One of these may be a hesitancy to identify oneself as a Muslim.
model. They claim that their logical-scientific approach, mathematical reasoning and access to technical language enable them to provide better solutions to the problems of Turkey. Such an approach is reflected in the way critical bureaucratic posts have been filled during the 1980s.

The image of the West held by Muslim engineers is one which does not reject the West. It assumes a give and take relationship within a strategy of economic competition. The West, accordingly, does not pose a threat to moral-cultural integrity. Islam thus ceases to be an ideological force of opposition to the West; rather, it emerges as an alternative in the context of competition. One of the Muslim engineers in Gole's work (1993: 214) clarifies this point:

"There are several dynamics which shaped the West. First of all, there is the idea of Dostoyevsky in his book The Brothers of Karamazov namely "if God does not exist everything is permissible". Since the period of the Enlightenment, there is an approach which accepts only the reality of the five senses of human beings. Another dynamic is the one which deifies the will of the individual, which comes from liberalism and identified with the formula, laissez-faire, laissez-passer. And finally, the aspiration for consumption is the ultimate goal of these societies: to consume means being happy. One of the alternatives to this material civilization is Islam."

For the Muslim engineers, the Islamic alternative does not require a wholesale rejection of the West. Instead, it appears to constitute a Muslim identity for people within the framework of a competitive world economy. Another Muslim engineer illustrates this point:

"We have to be an open society. We have to leave behind the dogmas of the Left and Right, and keep an atmosphere of debate. Turkey is, in fact, beginning to display a vitality. There is a new generation, between 30 to 35 years old, in blossom. They are the ambitious young professionals who speak two foreign languages and who are impatient to expand towards the world market." (Gole, 1993: 216).

Muslim engineers hold an ideology based on a Turkish-Islamic Synthesis, which is to be realized through a combination of Muslim social-cultural values, an outward-looking market economy and a pragmatic engineering approach.

The Turkish-Islamic Synthesis was not the invention of Muslim engineers. It was originally formulated by a group of intellectuals -mostly university professors from Istanbul University, who had already begun to meet as the Thinkers Club (Aydinlar Klubu) back in 1962. Included among the members of this club were Ismail Dayi (later Motherland Party parliamentarian), Professor Ayhan Songar, Associate Professor Necmettin Erbakan (leader of the NSP), and Dr Agah Oktay Guner (National Action Party
parliamentarian). The primary topic of discussion in the Thinkers Club was the relation of Turkishness to Islam (Yeni Gundem, February 22-28, 1987:11). During the late 1960s the club was converted to an organization known as the Intellectual’s Hearth (Aydınlar Ocagi). It was the president of the Hearth, Professor Ibrahim Kafesoglu, who produced the first ideological statement on “The Turkish-Islamic Synthesis”.

The Turkish-Islamic synthesis was publicized through the İlim Yayma Cemiyeti (The association for the Expansion of Knowledge) and its wakf, which was founded in 1973 by a number of Naqshbandi politicians and intellectuals. This association was founded by an important Naqshbandi member Yusuf Turel and his friends Abdulkadir Cavusoglu, Tahir Uğur and Nazif Celebi (Mumcu, 1994b: 182-183). Turgut Özal, Korkut Özal, Eymen Topbas, Mustafa Topbas, Professor Nevzat Yalcintas, Professor Ayhan Songar and Professor Salih Tug also became members (Mumcu, 1994b: 182-183).

The Intellectual’s Hearth and İlim Yayma Cemiyeti argued that Turkey’s economic crisis in the late 1970s stemmed primarily from the failure of the Turkish educational system. It was felt that the educational system failed to provide the younger generation with the knowledge of national culture needed to fully appreciate their Muslim and Ottoman heritage (Guvenc et al. 1987).

The military regime held a similar view. The shared perception was that Republican secular nationalism did not produce a coherent ideology for shaping a sense of nationhood. The Report on National Culture prepared by the State Planning Organization (SPO) in 1983 stated that the crisis of the 1970s was embedded in the destruction of Turkish youth’s moral and cultural values by “divisive foreign” ideologies. These foreign ideologies, according to the report, prompted Turkish youth as well as Western-oriented intellectuals to imitate western cultural values - a process destructive to the national culture (SPO, 1983; 535-543). The preservation of “national culture” was considered a duty of the state. National culture was viewed in this report as the sum of tradition and belief, culminating in religion (Guvenc et al., 1991; 113-122). The introduction of religious courses in primary, middle level high schools, and lycées in 1982, was a reflection of the military’s commitment to the creation of a new national culture along Islamic lines.

The Turkish-Islamic synthesis offered a radical departure from the earlier Republican state ideology of M. Kemal. It involved the writing of a new history - which included an easily recalled Islamic-
Ottoman past, in sharp contrast to M. Kemal's “discovery” of an ancient/pre-Ottoman past. The departure of Turkish-Islamic synthesis ideology from the secular nationalism of M. Kemal resulted from the belief that the “Intellectual Hearth” envisioned a nation as a natural form of religious community while the Kemalist trajectory saw the nation as a civil unity of individuals territorialized by secular political formation. The Hearth’s aim was to revive a religious community; M. Kemal’s aim was to transform a religious community to a secular-territorial-political nation which was defined by its linguistic unity (Guvenc et al., 1991: 53-54).

By bringing the Islamic aspect of culture and Ottoman history back into the new historical writing of a modern Turkey, the “Turkish-Islamic Synthesis” ideology, in fact, institutionalized what Said Nursi once claimed to be the basis of unified nationhood: Islamic-Ottoman heritage. In facing the Kurdish separatist movement, the military regime was committed to promoting the Islamic aspect of the Turkish-Islamic synthesis, especially among the Kurds. In addition to military measures which were adopted to repress (in fact, eliminate) the PKK led Kurdish struggle for separation or autonomy from Turkey, the Islamic ideology of nationhood was seen as vital for strengthening the state power. The promotion of Islam vis-a-vis Kurdish separatists points to the limits of state coercive power in society and politics. Since the military campaign did not produce the “desired” result, Islam was promoted as a unifying ideology. The military government (1980-1983) and the Motherland Party government of the post-1983 era were convinced that the secular nationalism of the Kemalist trajectory served to remove Islam as a vital cultural link between Kurdish and Turkish people, thereby creating ideological room for the rise of a secular nationalist movement among the Kurds (Ilkibe Dogru, 25-31 January 1987: 8-13). Therefore, the SPO Report on National Culture (1983) proposed the Turkish Islamic Synthesis in part to create an Islamic cultural link between the Kurds and the Turks. This is very similar to what Said Nursi and Naqshbandi Shaykhs had claimed during the founding of the nation-state of Turkey; that nationhood should have been defined as the Islamic unity of various cultural categories within the territorial boundaries of the state (van Bruijnenessen, 1992a). In this sense, the Turkish-Islamic Synthesis presents a neo-Ottomanist notion of nationhood by rebuilding a historical continuity between the Islamic-Ottoman heritage and Turkey in the 1980s.
The goal of the government was to regenerate the notion of national unity by unifying different segments of society around Islam. It tried to do so by linking Islamic legitimacy to a new kind of development ideology, a transnationalist market-oriented model - one which also includes transnational Islamic institutions and capital. The Turkish-Islamic Synthesis of the 1980s incorporated Islam via Saudi-Naqsbandi joint ventures into a nationalist economic policy.

14.2. Naqsbandi Capital and Religious Education

During the 1980s Saudi capital was generously utilized in the consolidation of the Turkish-Islamic Synthesis. Through Faisal Finance of Turkey and the Al-Baraka Turk, Saudi capital was involved in founding several wakfs and autonomous Qur’an schools. The Naqsbandi-affiliated members of the growing new Muslim business sector provided the link.

Korkut Ozal himself and his partners are powerful Naqsbandi-affiliated businessmen connected with the Al-Baraka Turk. The Bereket Vakfi (the Al-Baraka Wakf) was established by the Topbas Family - business partner of K. Ozal - and at present is one of the most powerful wakfs in Turkey. The founding members of the Al-Baraka wakf are part of the growing Islamic sector of the economy with close ties to the Naqsbandi order. They are Eymen Topbas, Ahmet Hamdi Topbas, Osman Nuri Topbas, Ali Eymen Topbas, Mehmet Demirtas, Yalcin Oner, Adnan Buyukdeniz, Mehmet Surmeli, Kemal Unakitan, Abdullah Sert, Muammar Dolmaci and Ilhan Imik (Mumcu, 1994b: 182).

The Bereket Vakfi (Al-Baraka Wakf) provides students with scholarships for religious education, organizes conferences, and supplies financial support for religious publications. For example, Al-Baraka Finance supplied the pro-Islamist newspaper Turkiye Gazetesi with 833 tons of paper between 1984 and 1985 (Mumcu, 1994b: 194).

Korkut Ozal himself was not active in the founding of Bereket Vakfi, but was involved in the founding of Ozbag Vakfi. The other founding Naqsbandi members of Ozbag Vakfi were Bahattin Bayraktar, Ozal's business partner, and Talat Icoz, a member of the Al-Baraka Turk Board of Directors. The aim of this wakf was to build new mosques, open Qur’an schools, provide financial assistance to students in religious education and support research on religious issues (The Official Gazette January 2.
Saudi capital has supported the emergence of an alternative educational system through the wakfs and funded an ever-growing number of autonomous Qur'an schools. There are more than 200,000 students enrolled in these schools, most of them are young women between 13-16 years of age who did not continue with formal-secular education (Yesilada, 1989: 23).

Another striking case is the growth in the number of Imam-Hatip schools. From 1980 to 1986 the number of Imam-Hatip schools increased by 22 per cent from 588 to 717. The number of students enrolled in these schools also increased by 34 per cent from 178,000 to approximately 240,000 students. In the 1985-1986 academic year there were 5600 official general high schools (including middle level high schools and lycees) with 2.4 million enrolled students. The ratio of Imam-Hatip school students to official general high school students increased to one to ten in the 1985-1986 academic year from a ratio of one to 37 in the 1965-1966 academic year (SIS. Statistical Yearbooks of Turkey).

The original purpose for founding these schools was to meet the shortage of educated religious personnel. This seems to be of secondary importance now. One-sixth of Imam-Hatip school students are females who will be employed neither as imams nor as hatips. The number of annual Imam-Hatip school graduates between 1980 and 1986 averaged around 40,000. Employment opportunities for these graduates, however, are limited by an annual vacancy of only some 2,600 positions. Most of these students, then, are virtually unemployable in their professions2 (Directorate of Religious Affairs figures, 1988).

The growth in the number of Imam-Hatip graduates, despite the inadequate number of job vacancies, indicates that Imam-Hatip schools have been transformed into an alternative educational system; their graduates continue their education in various university departments and enter into the job market as professionals and civil servants.

Since 1973 large numbers of Imam-Hatip graduates have continued their education in universities

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2 In 1988 there were 62,000 imams, 2,100 preachers and 700 mufti working in 51,000 mosques and 11,000 mescit (smaller mosques) in Turkey. Since there are only 2,600 vacancies every year for such jobs available to Imam-Hatip graduates, then the 37,400 out of 40,000 remain potential unemployed (Directorate of Religious Affairs, 1988 figures).
to train for professional careers in engineering, law, and medicine\(^3\). For example, nearly 40 per cent of the students in the Public Administration Department of Ankara University's prestigious Faculty of Political Science (the traditional main training ground for Turkey's administrative-bureaucratic elite) are graduates of the Imam-Hatip Lycees (Cumhuriyet Newspaper, 1987: various issues). The only institution which has not been affected by this trend is the military. Military schools do not enroll Imam-Hatip graduates.

Nevertheless, both the Nurcu and the Naqshbandi tariqa try to recruit young students who enter the military Lycees by providing them with Islamic instruction during their weekends at homes. In 1987, for example, the military discovered and discharged 813 young men who were placed in cadet schools by the Nurcu semi-order (NOKTA, February 22, 1987: 13-17).

There is no data to suggest that the growing number of Imam-Hatip graduates entering into the job market as state employees are changing the political orientation of the state bureaucracy. The government regulates the content of religious education in these schools. State regulation of Islamic education involves combining religious courses with secular ones. A study conducted by Aksit (1986) found that Imam-Hatip students greatly preferred courses in mathematics, physics, literature, English and Arabic as well as studies in the Qur'an. Most of these students expressed a desire to continue their university education in order to study engineering, medicine, law and public administration. Only a few students planned to become Prayer Leaders and Preachers after graduating. The content and range of courses was such that students were able to absorb a secular line of thinking. And, their educational preferences worked out in a way that they were able to gain employment in strategic positions in the state bureaucracy.

We do not know how many engineers have Imam-Hatip school diplomas. Some do have such a background. What is well known, however, is that their Muslim orientation is largely related to their family background. Nevertheless, the content of Imam-Hatip education, which combines religious and secular courses, has contributed to these students gaining a secular mode of thought. It seems that this has been the way in which the government has been successful in its attempt to popularize Turkish-Islamic Synthesis ideology among Muslim groups.

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\(^3\) In 1973 during the NSP-RPP coalition government, the graduates of the Imam-Hatip Lycees were granted the right to attend the higher education - the only exception being the military academies.
There is no publicly available data on the actual Saudi financial contribution to the growth in the number of Imam-Hatip schools. It has been documented, however, that from 1982 to 1984 the Rabitat al-Alam al-Islami paid monthly salaries of $1100 to Turkish Imams working in Western Europe as state employees appointed by the Directorate of Religious Affairs (Mumcu, 1994b: 171-173). Between 1984 and 1987, Saudi finance was also utilized to pay the salaries of many Turkish university instructors teaching Arabic in Turkey. The Imam Mohammed Ibn-Saud Islamic University of Saudi Arabia provided the funding. In addition, the Saudis have contributed to the construction of many new mosques and mescids (small mosque) on university campuses - including the mosque on the Middle East Technical University campus in Ankara (Cumhuriyet Newspaper, March 25, 1987).

The recent trend in the educational system with regard to the Turkish-Islamic Synthesis is not confined only to Imam-Hatip schools and Qur'an courses. Religious education was made a mandatory part of the school curriculum in secular schools as well. The 1982 Constitution stipulated that religion must be a mandatory course for all elementary, middle level and lycee students (Constitution of the Republic of Turkey, 1982: Article 24).

As I have suggested, the institutionalization of Turkish-Islamic Synthesis ideology during the 1980s has emerged under the constraints of balancing transnational expansion of market forces and domestic legitimacy. In the case of religious wakfs and Qur’an schools the transnational expansion of Saudi capital and Islamic institutions interact with formal institutions of the state via newly emerged Muslim groups among private capitalists and political parties. However, there is no firmly established link between Imam-Hatip schools and transnational Islamic institutions.

14.3. Islamic Opposition of the Religious Orders

The emergence of a new group of Muslim engineers coincides with a period in which Turkey adopted an export-oriented industrialization strategy and Muslim politics gained greater legitimacy. It should be pointed out, however, that the incorporation of Islam into the official state ideology of secularism was already on the political agenda in the early 1950s. Islamic politics had emerged during the making of the Cold War in the state system. Islam was already a permanent partner in the ideological
configuration of Turkish nationalism. In this synthesis the orthodox (scripturalist) Islam of the Directorate of religious Affairs, the semi-religious secular Imam-Hatip schools at the secondary education level, and the Faculty of Theology at the university level became the means for incorporating Islam into the secular state structure. All of these innovations were carried out as part of the state strategy of containing opposition with a state-regulated “modernist” assertion of Islam. This strategy was designed to keep Islam under state regulation, and there was no place in it for the revival of the Sufi orders and neo-religious movements.

However, since the second half of the 1980s Sufi orders such as the Naqshbandi and neo-orders such as the Risale-i Nur began to constitute the core of the Islamic revival. In addition to the growing networks of interconnected private/community-based spheres of religious orders, there exist strong organic ties between the mushrooming autonomous Qur’an schools and wakfs, and the religious orders (Cakir, 1990).

Modern mass-media technology in journal publication and subscription has also been utilized by religious groups. With the utilization of modern mass media Islam has been brought from the private sphere of small communities to the larger networks in the public sphere. There are now three Islamist newspapers with a circulation reaching 500,000. There are approximately 60 monthly Islamic journals selling over 700,000 copies (S. Ayata, 1993). The underground Islam of the religious orders has progressively expanded to establish its claim as the most powerful ideological force in Turkey.

Through the mass media communication, Islam has formed communities whose members are scattered in various cities, towns, villages and neighbourhoods. For example, the journal Ribat (which means the reconstitution of a Muslim alternative community) has an association with the Naqshbandi order. It has readership of 20,000 people. The Ribat urges its readers to join a religious order under the leadership of a reliable; well-versed Islamic scholarly mucahid (fighter) (Gunes-Ayata, 1991). This effort on the part of the journal seems to be a call for the formation of a counter public space in which the tariqa network can be used. In this instance the Sufi counter movement against the official orthodox-scripturalist Islam of the state originates from organizational networks and the educational techniques of tariqa. This movement is carried out through the modern communication techniques of mass media. The internet has also been
incorporated into the efforts at enlarging readership.

The journal *Mektup* (letter decreed by God) is also a Naqshbandi affiliated journal (Acar, 1991). Like the journal Ribat it calls its readers to fight first against the internal enemies of human personality and second against the external enemies of Islam - the “satanic powers” (hizbusseytan), that is, the superpowers, capitalist western economies and the secular state. These calls for both an internal and external jihad appeal mostly to the lower middle class-urban marginal groups whose economic well-being is further worsened by the transnational restructuring of society.

*Islam* is the largest circulating monthly Naqshbandi journal with a reputed circulation of 100,000 copies. It is published by the Naqshbandi shaykh professor M. E Cosan of the Faculty of Divinity at Ankara University. *Islam*, together with other widely circulated journals including *Kadin ve Aile* (women and Family), with a circulation of 60,000 copies, *Gul Cocuk* (Rose Child) and *Ilim ve Sanat* (Science and Art) have formed one large publishing house. The head of the executive committee for the publishing house is Professor Cosan (Aksit, 1989: 10-13), the son-in-law of Sheikh Kotku and inheritor of the Naqshbandi leadership after Kotku’s death in 1980. Professor Cosan’s emphasis is on reaching out to a wider Sufi network of readers through publications. This emphasis on publications, combined with the traditional educational methods of *sohbet*, appears to be fuelling the growing Islamic opposition in society.

Similarly, the utilization of modern mass media techniques to expand Islam into wider networks of an alternative Islamic society has also been carried out by the Nurcu movement. Among the Nurcu publications is the journal *Sizinti* (leakage) with a circulation of 80,000. *Sizinti* evaluates the position of Islam in relation to modern science and technology and claims that all the discoveries of modern scientific technology can be found in the Qur’an. *Bizim Aile* (Our Family) and *Kopru* (Bridge), on the other hand, are publications which focus on gender roles in the family and the public sphere of employment (Acar, 1991). Here, the main emphasis of the Nurcu movement is on creating a moral order shaped exclusively by Islamic principles and integrated with advanced science, technology and industry. According to the followers of the Nurcu movement, the source of science and technological innovations is the Qur’an.

One common theme in all of these recent tariqa-affiliated Islamic publications is anti-westernism and nationalism. The anti-western and nationalist attitudes in these journals are directed toward the
cultivation of change along purely Islamic lines. The "anti-West" debate gained importance during the 1980s at a time when Turkey entered a phase of rapid industrial growth and adopted a competitive strategy. This debate is taking place when the distinction between the West and the non-West is no longer relevant in a world where the globalization of capital has made the empirical content of such a conceptualization obsolete. What is interesting about the debate is that the rise of a pro-Islamic "anti-West" attitude coincides with the intensification of interstate competition. Anti-Western attitudes become part of a political search amidst the emergence of a new constellation of economic and political institutions. The relevant question for the Islamic opposition then, is which social systems will succeed in the political restructuring of the economy. For Muslim groups, Islam is a viable alternative social system.

In discussing the rise of an Islamic opposition in the context of a competitive strategy, one should not look at "anti-West" attitudes as a reaction to "Western culture", but as a response to the manner in which Turkey has integrated itself with the world economy of the 1980s. Here, the relevant issue for Muslim groups is the conflict between the Islamic conception of society and the informational content of the new structures of the global economy. This is a conflict between the local and the global over the spatial limits to productive (including technological) capital in restructuring social relations.

Muslim groups do not represent a unified group within the Islamic movement. They do, however, occupy a central position as the new intellectuals in what was formerly a closed movement of marginals. These Muslims are products of a secular education through which they were able to acquire the intellectual ability to formulate a comprehensive world view from an Islamic perspective. In dealing with the question of conflict between the global and local, their concern is with the location of the nation-state within the larger relations of the world economy. However, the question remains: What are the boundaries of the local, community, the nation-state and the larger economic-political space of the OIC? These questions constitute one important dimension of the Muslim intellectual agenda in Turkey.

The conflict between the local and the global has also been discussed in different contexts. Ali Sheriati's thesis on Islam in Iran is an example. In *What Is to Be Done?* (n.d) Sheriati suggested the possibility of realizing Islam in a national territorial space of the state (nation-state), without rejecting the principle of the nation-state. This, however, does not mean that Seyyid Qutb's internationalist thesis on the
rejection of the state and the universalism of Islam in forming a Muslim nation has been totally relinquished in Turkey. However, Sheriati's thesis on the specificity of Islam in each national context seems to be accepted as a more relevant direction for the Islamic movement in Turkey. Thus, within the Islamic movement in Turkey the local represents the space of the nation-state.

The renewed activities of religious orders advocate the role of "invisible universities" within Muslim groups, as E. Gurdogan (a Muslim engineer and director of the Faisal Finance of Turkey) has called them. These were seen to be more important at a time when Turkey was going through the process of transnational restructuration. The goal of the "invisible universities" is to increase the citizens' ability within the space of the nation-state to respond and resist mass production and mass consumer culture (Gurdogan, 1991).

The issue of an eventual escape from mass consumerism has also been addressed by the Naqshbandi Sheikh, Professor Cosan. The solution for Cosan is to break away from the alliances Turkey formed with the West and to form a "Muslim Common Market" as a political umbrella for Islamic brotherhood and solidarity among various Muslim member states of the OIC (Cosan, 1993; 1994; Cosan and Necatioglu, n.d.).

Even though it views the "national" in terms of a league of Islamic nations, a unified Islamic economy and one Islamic community, the "nation-state" principle is not totally rejected by the Naqshbandi order. The national aspect of the question consists of the development of a "truly" national economic model based on the production of capital goods through national planning. Cosan defines this as a form of Islamic jihad moving towards economic and political-cultural independence from western economies (Cosan and Necatioglu, n.d.: 90-91; Cosan, 1993; 1994). The other form of Jihad is an internal one - the self-purification of individuals and society. An Islamic economy can only be planned by deflecting the destructive impact of western capitalism and western development models on Muslim societies in general, and on Turkey in particular. This, in turn, depends on the cultural self-purification of Muslims through Islam.

In addition to the primary importance given to self-purification, the Naqshbandi order of the 1980s

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4 For an excellent review of S. Qutb's internationalism see: Piscatori, 1986: Ch. 5.
(as well as the 1990s) does not take an extremist position on its asceticism. The development of economic, scientific, and technological innovations by Muslims is considered essential for the dominance of Islam in society. Thus, the accumulation of wealth and technological development are encouraged as long as it is done through Islamic principles and within the confines of Islamic purposes.

In an effort to achieve these goals, the Naqshbandi has engaged in a political strategy of trying to conquer the state through penetration or infiltration. This is not a new strategy; but has been developed since the time of the Ottoman Empire (Mardin, 1991; Gunduz, 1984). Therefore, the main focus of the Naqshbandi has been on Muslim education in order to raise professional cadres who could gain power and become employed in strategic positions for the elevation of Islamic principles in society. Naqshbandi involvement in the opening up of Qur’an schools, the great importance it has given to Imam-Hatip schools, and its emphasis on the dissemination of information through publications are obvious signs of such a strategy.

This strategy is also reflected in the Naqshbandi’s active involvement in politics. During the 1970s it supported the National Salvation Party of Erbakan. In the post-1983 period the Naqshbandi has given its support to the Motherland Party of T. Ozal. It has also constituted a prominent Islamic wing within the MP. After 1987, following the return of the former NSP leadership to the WP (founded in 1983)\(^5\), the Naqshbandi has supported the WP (Cakir, 1994). As Acar (1993: 338) has noted, the interesting point here is that the Naqshbandi order has not only been active politically but has, at different times, also overlapped with other political parties, thus, securing a distinct space for itself in national politics. This overlapping of the Naqshbandi order with other political parties has taken place through the efforts of the order in establishing and/or supporting pro-Islamic political parties and/or constituting prominent Islamist wings in the secular political parties of the center-right in Turkey. Similar phenomena can be observed in the relationship between the followers of the Nurcu movement and the Center-Right line of the former Democrat and Justice Parties and the present True Path Party.

The strategy of active involvement in politics, rather than serving as a pressure group, has resulted

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\(^5\) The military coup banned all former political parties and party leadership from politics. The Motherland Party government ended this ban in 1987 with a referendum. The result of the 1987 referendum was that the former politicians could return to politics.
in Islamic groups acting against and alongside secular groups. Pro-Islamic politicians have sometimes been represented in secular political parties as a faction, and other times in a blended fashion alongside secular groups. This was the case with their involvement in the Motherland Party. The loyalties of the Islamic groups were thus crosscut between religion and political affiliation, resulting in a process of constant negotiation and bargaining to reach an intra-party compromise. In the process, Islamic groups moved towards moderation, while secular groups incorporated Muslim values into a secular ideology for strengthening national consensus ideology.

This crosscutting of loyalties between religion and the secular principles of the Turkish state is also the case with the pro-Islamic Welfare Party of Erbakan. The WP has a strong support base among the Kurdish populations in southeastern Turkey. The position of the religious orders on the issue of Kurdish separatism is in line with its tradition of supporting a “unitary state” on the platform of “national unity” within the territorial boundaries of the state. Thus, the WP - as the political party which carries a strong blueprint of Naqshbandi ideology - has distanced itself from the Kurdish separatist movement. It is only small, highly marginal Islamic groups that support radical Kurdish separatist forces (Cakir, 1992).

14.4 Muslim Intellectuals

The political agenda set by the religious orders was directed at deflecting the “wiles” of western capitalism and western-originated developmental models. Thus, while the religious orders glorify the value of past Islamic tradition, they also value the need for modern science, technology and economic development. For the religious orders, Islam appears as an alternative social system, resisting mass consumerism and other adverse effects of the “Western” economic models. This resistance includes cultivating closer ties with the member states of the OIC for the purpose of forming a Muslim common market. Muslim intellectuals, on the other hand, depart from the Islamic perspective of religious orders. In their writings, the time of Prophet Muhammad is taken more as a “state of nature” to create an ideal Islamic “community” beyond and above the territorial boundaries of the nation-states. Other examples of Islamic intellectual development which produced a new type of revivalism in Turkey are evidenced in the work of Ali Bulac and Ismet Ozel.
Ali Bulac graduated first from the Higher Institute of Islam and later from the Sociology Department of Istanbul University. He has combined his religious education with a secular education in sociology. According to Bulac, a cultural dualism emerged during the Ottoman empire, creating two groups of intellectuals. The first is made up of westernized intellectuals who have been alienated from the history, culture and the people of their own society. Having no roots in the cultural accumulation of their own society, they have only imitated Western philosophy and science. They failed in producing original works. These westernized intellectuals are simply translators. The second group of intellectuals are Islamists. They do not appear in good standing either. The earlier Islamist intellectuals have accepted history and tradition without any substantive critical thinking. They were not capable of producing works relevant to change. This is the main theme of Bulac's sociological writings.

In his two major books (1978, 1983) Bulac rejects the earlier Islamist tradition, which was shaped by the pan-Islamists of the late Ottoman era, and evolved around the question of accommodating Islam to western science and technology. The earlier Islamists had accepted limited westernization as a necessity for development; western science and technology was to be integrated within a society in which culture was to remain Islamic. According to Bulac, the earlier Islamist position is a modernist one which employs western perspectives and ideological apparatus in order to diagnose national problems. This "mistake" is what Bulac calls the "modernism trap". The ideology of modernity has been utilized by the West to create an openness to Western influences amongst Muslim intellectuals. However, this worked for the expansion of western imperialism. The western ideological imposition of "development" worked through a set of false concepts which caused confusion among Muslims and led to a war of ideas - concepts such as civilization, progress, democracy, nationality, secularism, socialism, conservatism, class, backwardness, development, freedom, liberty, and so on. The mental confusion caused by these concepts was an effect of the modernization project and was implicated in imperialism. This was a trap - the modernization trap of capitalism. The solution, therefore, was to be sought in a total rejection of western modernization. The important thing was to reject the incorporation of western principles and notions in the analysis of Muslim societies, and instead, employ Islamic principles to gain a clear insight into the true nature of contemporary problems. The role of the intellectual here is crucial. Intellectuals are the carriers of cultural transformation.
According to Bulac, the most important goal of a Muslim intellectual is to eliminate Western influences on intellectual life and replace them with those of the Qur’an and the Sunnah.

From Ali Bulac’s perspective, Islam is an alternative and distinct social system capable of addressing the problems of Turkey. According to him, Islam is not a traditional or reactionary force which has been bypassed by modernity. Islam cannot be understood only on the level of ritual belief and practice. The principles of the Qur’an and Sunnah should be worked out by Muslim intellectuals in order to develop Islamic concepts which are appropriate to contemporary life. For Bulac, Turkey must move away from the straightjacket of western development models and return to the reconstitution of an Islamic way of life both at the individual and societal level.

İsmet Ozel is a former Marxist poet. He graduated from the French Language and Literature Department of Hacettepe University in Ankara, and worked as a French instructor at the State Conservatory. Ozel, like Bulac, is well-equipped with Western social and political thought and contemporary critical thinking. He also sees Islam as a response to contemporary problems rather than a set of traditional outdated principles. He departs from Bulac in not concerning himself with the question of cultural duality which was created in the process of westernization.

His book, Three Problems: Technique, Civilization and Alienation (1976-1992) is an attempt to construct an exclusively Islamist discursive framework for addressing contemporary problems. In fact, Ozel was originally planned to title his book “An Introduction to Muslim Thinking”.

According to him, Islam cannot be conceived as a total of the cultural-spiritual values of a nation. When it is conceived at the national level, it will inevitably appear as constrained by being formed within a historical and geographic space. A national project then will approach Islam as a historical category, a geographical space and a cultural form. Viewing Islam at the national level will have different manifestations depending on political objectives: for a nationalist, Islam would be seen as a dynamic force for realizing national objectives; for an imperialist it would be seen as a piece of land appropriate for exploitation; for a socialist it would be a set of humanly constructed values which need to be transformed. These are all false conceptions of Islam. Islam is not a moment and/or a stage in the development of human history, but a way of life unconstrained by a specific space and time (Ozel, 1992: 17-26). Ozel argues that
all truth is found in the Qur'an, and there is no other truth outside it.

Ozel refuses to idealize the Ottoman past and equate Islam with civilization. A national approach to Islam, according to Ozel, will place it squarely in the center of a national economic project in competition with western societies. Islam will then be perceived as a form of religiously inspired nationalism. This would result first in the construction of a religious faith in technology and second in the belief that the human mind and science are the only sources of development (Ozel, 1992: 33). According to Ozel, Islam is outside the development project of modern civilization, and the goal of Muslims should not simply be the creation of a new alternative Islamic civilization (and/or Islamic model of development) to compete with western models. Islam cannot be taken as an economic and social system which offers an alternative to already existing western models. This is because any civilization, whether Islamic or western, would result in the despotic domination of some humans over other humans - to be sustained through a political alliance among capital groups, technocrats and bureaucrats, although such an alliance would take different forms in different geographic and historical spaces (Ozel, 1992: 34-36, 46, 88-90).

The central question for Ozel, therefore, is how to constitute the authority of the Qur'an and Sunna in the construction of an Islamic way of life. For Ozel, this is a project which begins with the individual establishing the authority of the Qur'an and Sunna in everyday practice. This means the replacement of national traditions and values by religion and the rejection of any political project which tries to constitute a new civilization even if it is based on Islam (Ozel, 1992: 88-119).

14.5. Conclusion

I have followed the manner in which Islamic ideology has shifted away from the earlier question of the reconcilability of Islamic principles with the economic issues of national development, by examining the ideas of Ali Bulac and Ismet Ozel. Unlike their Ottoman predecessors, the new group of Muslim intellectuals are critical of the Ottoman past as well as pro-Islamic thinkers. For them, the Ottoman era does not set the example for a true Muslim community. The only source for rebuilding a Muslim society is the one described in the Qur'an and lived during the time of Mohammed. Muslim intellectuals such as Ozel desire a return to the “golden age”. This desire involves a belief in its historical possibility. However, no
program has been offered for such a transformation. Muslim intellectuals occupy a marginal importance in the pro-Islamic movement in Turkey.

The heart of the Islamic revival in Turkey was not built on the rejection of the nation state. The relationship between science, industry and technology as they relate to economic competition in the world economy continues to occupy a central position in pro-Islamic formulations of various Muslim groups. Pro-Islamic projects in Turkey were built on the specific development trajectory worked out of Muslim engineers, as developed by the religious orders in coalition with the pro-Islamic political party. The Islamic economic-political agenda focuses on national planning in strengthening the state in Turkey, although it should be consisted with Islamic principles.

There is a lack of focus and analytical detail on Turkey’s relations with the European Economic Community and the United States. All Muslim groups have been critical in their analysis of the westernization project undertaken by the secularizing political elite since the Tanzimat period. These groups have been highly critical of Turkey’s close economic and political relations with the EEC. The Tanzimat period was seen as an era which introduced a cultural crisis in the minds of Muslims. It was also as an era which transformed the Ottoman Empire into a dependent state. Similarly, closer economic ties with the EEC and Western-based institutions such as the IMF and the World Bank are also seen as the continuation of the Tanzimat project. According to this view, adoption of the IMF-World Bank imposed structural adjustment programs would result in the loss of independence and national culture shaped by Islam. Thus, the alternative has been the adoption of an Islamic strategy based on a synthesis between science and technology and Muslim cultural values in the world of competitive economic relations. The foreign policy aspect of such a formulation suggests that Turkey should establish closer relations with member states of the OIC in an effort to form a “Muslim common market”.

Similar views has also been advanced by the pro-Islamic Welfare Party, founded in 1983. As represented by the NSP during the 1970s, the WP also adopted a religiously inspired nationalism. A strong religious element in the nationalism of the NSP-WP line was built on a growing opposition to externally imposed restructuring in Turkey. What needs to be protected is Turkey’s political independence and economic interest as well as its indigenous culture as shaped by Islam (Erbakan, 1990; Emre, 1989).
Hence, the WP, under Erbakan, favours the establishment of a Muslim common market (Erbakan, 1990). The Welfare Party provides the historical example of the Ottoman classical age and the Pan-Islamist nationalism of the Ottoman Empire. It focuses on the national-protective principle in regulating the economy. The Pan-Islamist nationalism of the Ottoman Empire, which was a protective response to the British-imposed free-trade principle of the Tanzimat era, sets the example for the WP in its response to the IMF-World Bank imposed transnationalist economy.

The growth of religiously-oriented nationalism through religious orders and the pro-Islamic Welfare Party was followed by the ineffectiveness of the Turkish-Islamic Synthesis ideology of the Motherland Party in its support for a market-oriented development strategy. The ideology of a Turkish-Islamic Synthesis was designed as a unifying nationalist project to mobilize popular support behind the export-oriented industrialization model by asserting a national interest. This ideology was advocated to absorb various elements of the popular masses within a nationalist movement. Its aim was to create a national consensus around the export-oriented economic development model through the power of Islam. However, the promises of the model were not fulfilled. National consensus was not achieved, not only in terms of the promised economic benefits of the model, but also in terms of curbing the separatist desires of the PKK. It is well-known that the state's coercive-military power has been proven limited in eliminating the PKK's armed struggle for separation. Thus, over the entire period of the 1980s, Islam gained greater importance regarding its place in the equation between Turkish nationalism and Islam. The pro-Islamic Welfare Party continues to obtain greater support among the Kurdish population of Eastern Anatolia.

The export-oriented industrialization model did not benefit a large part of the general population nor the majority interests of the private sector, only a limited number of large enterprises which prospered in their trade with the Middle East. However, after the collapse of oil prices in 1986 the economy experienced a general decline in private investment in industry. That is to say, the change in the structure of exports in favour of the manufacturing industry was unreliable, culminating in the growth of total debt and debt servicing as a percentage of exports. This resulted in the fact that Turkish-Islamic Synthesis ideology could not incorporate different and often contradictory interests into a national popular program.

The ineffectiveness of the Turkish-Islamic Synthesis in articulating a national interest, as embedded
in the export-oriented economic model, gave way to the growth of an Islamic counter project via religious orders and the pro-Islamist Welfare Party. The Islamic counter project articulates a new “national” agenda by politicizing all aspects and segments of social life along Islamic lines.

Both the religious orders and Muslim intellectuals display a strong “parochialism” towards the West. This represents a struggle to come to terms with the conflict between the global and the local. In dealing with this conflict Muslim intellectuals suggest to a return to the “Golden Age” of Prophet Mohammed. The religious orders, however, draw their historical example from the Ottoman pan-Islamist agenda, although the Qur’an and Sunnah set the moral basis for an Islamic society. They aim to articulate Muslim values in national culture, as an element in the competitive strategy through a program of economic protection - one which involves greater economic and political cooperation with member states of the OIC.

In addition to the religiously-inspired nationalist aspirations to compete more effectively in world markets, the religious orders are also concerned with the adverse effects of capitalism on human and natural life. It seems, however, that Muslim intellectuals are more prone to formulate a link between cultural change and capitalist industrialization projects. They are more concerned with mass consumerism and pollution of the natural environment, as products of capitalism, than the cultural implications of pro-Western projects. They are also more concerned with the domination of capital over lives and livelihoods than they are with pan-Islamic projects which intend to increase Turkey’s competitiveness in world markets. As I have discussed in the writings of Ali Bulac and Ismet Ozel, Muslim intellectuals reject technology, industry and science as vehicles for development. Even though religious orders also express similar concerns over the adverse effects of capitalism, they do not reject science and technology, since they are seen as the basis of industrial strength. It should be pointed out, however, that Muslim intellectuals make up only a small fraction in the pro-Islamic movement in Turkey.

Pan-Islamic projects, either as developed by the Motherland Party, the Welfare Party or the religious orders, reflect a political desire for Turkey’s integration with the techno-industrial structures of the world economy. These projects have come when such integration was more plausible, in the conditions of the world economy during the 1980s. Pan-Islamic projects were consolidated by the military coup of the 1980s to be part of a political consensus on an open and outward looking economic, social-political
arrangement in Turkey. In such a consensus the pro-Islamic formulations of the religious orders, as well as those of the Welfare Party, reject the possibility of Turkey positioning itself with respect to the Western model of industrial experience. They reject the universality of Western industrial experience as defined in both economic and political-cultural terms. The emergence of Muslim engineers, as a new professional-bureaucratic group, played a prominent role in the changing perception of the West. The West now represents a competitive partner and not a model for universal application.
XV. CONCLUSION

In the course of this study I have provided a detailed examination of the conditions in Turkey from 1839 to the end of the 1980s which created the simultaneous rise of a market principle in the economy and religious sources of nationhood in politics. Having traversed such a lengthy and complicated history, I am left with the task of highlighting the empirical, methodological and theoretical results. These will be answered in terms of their usefulness in critiquing and contributing to our knowledge of the issues and approaches involved.

15.1. Turkish Trajectories of Social Change: Empirical Results

I will now summarize the conclusions of chapters 4 to 14, keeping in mind that certain elements of the analytical discussion will be added later in the sections on method and theory. The Ottoman social formation in its classical age was based on a redistributive form of social integration. The impetus for a change from this form of integration was initiated by a combination of external economic factors. These were: 1- the flow of silver from the Americas to the Ottoman Empire through Europe, which increased food prices in Europe and thus facilitated the emergence of contraband trade in foodstuffs and raw materials from the empire; 2- a shift in trade routes from Ottoman lands to new overseas territories via the Atlantic, which enabled merchants to escape from Ottoman custom duties; and 3- tariff concessions granted to the European states. The most important of all tariff concessions was granted to the British by the 1838 Anglo-Ottoman Commercial Convention.

In response, Ottoman statesmen initiated a series of reforms to strengthen the central authority of the Ottoman state. The Tanzimat elite considered such reforms to be synonymous with the wholesale adoption of Western culture and Western political-economic arrangements. Their goal was to "modernize" the state and economy, on the one hand, and to establish a unified Ottoman nation on the basis of secularism, on the other. Nevertheless, until 1854 the Ottoman government continued to rely on the revenue extraction mechanisms of the redistributive system. However, state expenses which increased because of wars against Russia and Balkan insurrections could not be met by declining state revenues. As a
result, the government began borrowing from British and French financial firms, obtaining its first loan in 1854.

Loans from Europe were conditional on a major structural adjustment in the Ottoman economy. The structural adjustment program meant that the Ottoman classical re-distributive system would have to be abolished to make way for a market economy. Due to the inflow of foreign capital in the form of loans and the government's inability to increase state revenues within a disintegrating system, the Ottoman government incurred a large foreign debt, which it was unable to pay annual service charges on. In 1875 the Ottoman state defaulted, and in 1882 the Public Debt Administration was established whereby private European capital lending groups directly administered and collected a portion of tax revenues to service the debt. The operation of the PDA created a situation where the Ottoman government lost its financial sovereignty in managing its revenue and debt problems.

Opposition to the Tanzimat westernization program came from Islamists who wanted to preserve Muslim cultural-moral values in the course of instituting market relations. Islamist opposition to westernizing reforms came during the 1870s when there were Christian uprisings in the Balkans against the reforms undertaken to centralize state power and establish a unified conception of nationhood.

The Turkish nationalism of the Young Turks (1908-1914) was another response to territorial disintegration of the Ottoman Empire. Although the question of Islam's role in the "modernization" project was not resolved by the Young Turks, they tried to combine the westernizing reforms of the Tanzimat within the ideology of Turkish nationalism. Their departure from previous ideological currents was marked by the fact that the Young Turk government advocated a state-protectionist model for constituting capitalism in the Ottoman Empire and rejected the European imposed structural adjustment program, in contrast to the market-oriented economic policy choice of the Tanzimat and Pan-Islamist elite.

In the context of the WWI settlement, in which Ottoman possessions became new nations, Turkish-Ottoman search for a strong state and unified conception of nationhood culminated in the establishment of the Republic in 1923. M. Kemal and the new Republican elite, composed of civil-military bureaucrats, tried to homogenize "the nation" through a secular program of national language and history by rejecting the Ottoman and Islamic sources of identification. The Kurdish Shaikh Said revolt of 1925 provided an
opportunity for the Kemalists to eliminate all opposition and establish a single party dictatorial regime. The dominant paradigm of the new Republican elite was one based on total westernization. It was adopted out of Kemalist admiration for the Western level of technological and industrial development - development which was seen to be rooted in West’s political-cultural arrangements. This settled the previous controversy between the Tanzimat and pan-Islamist elite over the distinction between culture and technological development. Tanzimat ideology won out and became dominant.

The cornerstone of the Kemalist project of cultural re-making was strict state control of religious functionaries, groups, orders, and movements. Religious functionaries became civil servants, and religious orders were outlawed. Moreover, the new civil-military bureaucratic cadres eliminated a number of existing strategies adopted by competing elites. New generations of the urban-educated were socialized to view Islam as a reactionary movement, a source of backwardness, and a major threat to the nation-state and industrialization.

On the other hand, Kemalists also had an “imperialistic image” of the West. Industrialization was seen as the basis for independence and sovereignty of the state. Nevertheless, they did not develop a coherent economic program. This was due to the economic sanctions of the Lausanne treaty of 1923 which imposed the previous Ottoman trade regime on Turkey, requiring it to pay Ottoman debts through the development of an agriculture-based export economy.

The Kemalist plan of action was a specific response of bureaucratic cadres to the world economic conditions of the Great Depression. Kemalist bureaucrats drew their examples from the socialist Soviet Union, Nazi Germany and fascist Italy. Given the absence of private industrial and commercial capital on a large scale, they gave fundamental importance to state involvement in the industrialization process. State agencies were assumed to play a major role in all branches of the economy. The price and wage policies of the government favoured private “Turkish” industrialists, and discriminated against all other segments of the economy.

This program worked out during the 1930s, was changed in the immediate aftermath of WWII. Having decided to situate itself in the Western camp under geopolitical conditions created by the Cold War, Turkey adopted a multiparty political regime and shifted its economic policy from industrialization to
rural-agricultural development. The government submitted to the agriculture-based development ideal formulated and imposed by American experts, in exchange for economic aid. The military aid of the Truman Doctrine of 1947 combined with the extension of Marshall aid to Turkey in 1948 had a decisive impact on situating Turkey in the postwar world economy as an agricultural society.

This reframed the political alliances in the state structure. Under the DP government (1950-1960), which represented a multi-class populist alliance against M. Kemal’s bureaucratic coalition party, the new interest group was small-producing family farmers. They were integrated into the national economy through massive government subsidies and investment in the mechanization of agriculture, the use of fertilizers and installation of irrigation systems. The DP presented its rural-agricultural development policy on a moral foundation, arguing that industrialization could not be pursued at the expense of peasants. This came to mean that peasants were to become part of the industrialization process, and in return they were to receive their share of the wealth that was produced. The other side of the incorporation of rural producers into national society was the integration of their community culture into the state ideology. In contrast to the original Kemalist nation-building project of instituting a secular break with Islamic beliefs and practices, the DP tried to integrate peasants and their culture into the state. The political intent of the DP was to extend and deepen the Kemalist nation-building project by incorporating both Islam and the peasantry into the state structure. Part of this project involved giving importance to religious education. This innovation facilitated the process of peasants conceiving themselves as citizens of the state and their culture being linked to the nation-state, rather than seeing themselves as inferior to the secular high culture of the urban and educated.

The incorporation of peasants and their culture into the state via rural-agricultural development policy was externally determined through the American imposition of an export-oriented agricultural development policy. The complex negotiations involved in Turkey’s bargaining with the U.S mediated this process. An important aspect of these negotiations concerned the exchange of Turkey’s strategic importance in the Cold War for more economic aid. But the viability of the project was challenged by the American cheap food policy which signalled a change in its strategy for the re-organization of the world economy. The new American strategy promoted industrialization in the “Third World” as a new
development ideology.

The re-adoption of an import substituting industrialization model in Turkey after 1954 was part of this new pattern. The DP tried to combine state-led heavy industrial projects with consumer goods producing industries in the private sector, which were to be financed through agricultural exports. However, the DP did not abandon its policy of giving importance to economic liberalism, rural-agricultural development projects and state intervention in the economy.

When the high level of imports required by the industrialization program could not be maintained because of declining export earnings from agriculture, the DP followed an inflationary finance policy and increased annual demand for external aid, instead of reducing its support for agriculture and the peasantry. The intended plan was to exchange Turkey’s strategic importance regarding American containment policy in the Middle East for economic aid to be negotiated in the form of loans. The Suez crisis of 1956 provided the opportunity for such a plan. Associated with this were a balance of payment deficit, debt and inflation, which led to American imposed and IMF mediated stabilization measures in 1958. The continued inflow of capital in the form of loans was conditional on government acceptance of the IMF stabilization recommendations.

Similar to the rise of pan-Islamist and bureaucratic opposition to the externally imposed structural adjustment program in the Ottoman Empire, the 1958 stabilization program was also followed by opposition. Demands were made for stronger bureaucratic control over the determination of national policies regarding military and economic issues. The question for the emerging political projects in Turkey was how to activate the indigenous potential of production conditions, and how to counter a specific development program externally imposed within the Cold War exigencies of the state system. These questions gave way to rising tension between secular-statist and Islamic politics.

For the pro-Islamic opposition, which became vocal through the Naqshbandi tariqa and the Said-I Nursi movements, it was not possible to find a bridge between Western economic models and the indigenous potential of production conditions. They rejected the Kemalist perception of industrialization which assumed that technology-industry and culture went together - that the goal of industrialization required a wholesale adoption of western values. Consequently, they began to define the goal of
industrialization in Islamic terms. According to the Islamists of the 1950s, western models of development are built on such cultural values as materialism, conspicuous consumption, moral decadence, competition, aggression, egoism, and so on. They argued that these values cannot contribute to the goal of human happiness because they invent artificial needs and imprison people within the constantly changing needs structure created by mass consumption.

The pro-Islamic opposition promoted the idea that state power needed to be regenerated in order for it to act independently. The role of the state was to supervise economic activity in such a way that it would conform to the moral values of Muslims. The aim, then, of the Islamic opposition was to divert the economic process away from its external determination towards national sources of control under the regulatory framework of Islam.

Bureaucratic opposition to the DP government was expressed in the 1960 military coup by civil and military groups within the bureaucracy. The bureaucracy, which saw itself as heir to the Kemalist legacy of westernizing reforms, embarked upon a project of instituting a planned, state-led heavy industrialization strategy. Heavy-industrialization was seen as a means for strengthening the state’s independent capacity. The State Planning Organization established in 1960 was the new regulatory mechanism. The groups targeted by the SPO were private industrial capitalists and organized labour. Since both groups had relatively little weight in society, the goal of the SPO was to gradually elevate private capitalists to a dominant position by giving primary importance to state economic enterprises.

The industrialization strategy developed by the SPO became a major source of contention for Turkey and the U.S. The U.S wanted Turkish planners to give priority to private investment in consumer goods producing industries as opposed to heavy intermediate and capital goods producing industries, and also insisted on the elimination of state economic enterprises. However, growing transatlantic tension between the U.S and Western Europe enabled Turkey to continue its industrialization policy in spite of American opposition. Turkey chose to develop greater independence from the U.S by cultivating closer economic ties with the EEC. This was facilitated by conflicts between Turkey and the U.S during the 1960s over the Cuban-Turkish missile crisis and Cyprus.

Turkey became an associate member of the EEC in 1964 with the hope of being fully integrated. In
the context of limited EEC demand for Turkish agricultural exports and EEC substitution of Turkish goods with imports from other Mediterranean countries, Turkish planners relied to a great extent on the inflow of capital from workers remittances. The encouragement of migration was state policy. Migrant workers were not pushed out of rural areas because of landlessness or poverty. The JP governments of the period continued to support agricultural production and the peasants by continually increasing government purchase prices and subsidizing agricultural inputs. The goal of government policy in encouraging labor migration to Europe was to earn foreign exchange from workers remittances and ease the internal political problems of urban unemployment.

Growing economic uncertainty in the world economy during the 1970s marked a major turning point in European demand for migrant labour. Turkish labour migration came to an end in 1974. The end of labour migration compromised national economic stability in terms of the availability of foreign exchange and the exportability of labour. Combined with the deteriorating trade balance due to increasing protection from EEC countries, the decline in workers' remittances pushed Turkey into a foreign exchange crisis between 1975 and 1979. The result was a decline in job creation. The social democrat RPP government began to see association with the EEC as a hindrance to Turkey's industrialization policy. Contrary to the general trend in the world economy towards greater transnational integration, protection was favoured and relations with the EEC were frozen. The goal here was to create jobs by intensifying production in state economic enterprises.

This policy choice was shaped within the shifting geopolitical realignments in international politics which marginalized Turkey in its relations with both the U.S and the EEC. Both detente between the U.S and the USSR, and conflict within NATO over the Cyprus war of 1974 marginalized Turkey's geo-strategic importance in international politics.

With the intention of breaking its isolation in the West, Turkey began developing closer economic and political ties with Muslim countries in the Middle East and the Soviet Union. Many state-led heavy industrialization projects and investments in the energy sector were carried out through Soviet technical and economic assistance. This assistance was negotiated in exchange for Turkish textile and food stuffs which Turkey could not export to the EEC. Turkey's decision to cultivate closer ties with Muslim states in the
Middle East was shaped by its interest in the commercial opportunities opening up in oil producing Muslim states. The Turkish policy of developing independence within NATO by cultivating closer ties with the Soviet Union and Muslim states helped transform the strategic context within which the Soviet Union could pursue its Middle East foreign policy more easily. It is through this strategic linkage that a new alternative to the bipolar division of the Cold War state system began to emerge in the Middle East.

After the death of Nasser the Soviet Union developed a new alliance with Libya. It also tried to consolidate relations with Syria and Iraq in the hope of creating an anti-imperialist Arab unity around oil politics. For this purpose, the Soviets developed a more active Islamic strategy in the Middle East in order to unite Arabs against “Western imperialism and Israeli aggression”. The Soviet Union supported the rise of popular Muslim ideologies and the growth of Muslim unity against Western imperialism. The Organization of the Islamic Conference, founded in 1972, is an expression of this unity. The primary objective of the OIC is to achieve greater interregional integration and economic cooperation among Muslim states.

The changing world of the 1970s created new pressures on the dynamics of domestic politics in Turkey. The deterioration of Turkey’s relations with the U.S and the EEC sharpened grievances among classes and various social groups over the government distribution of scarce foreign exchange. This period saw a break-up of the social coalition of private capital groups which sustained the industrialization strategy from the mid-1950s to the mid-1970s. No dominant capital group emerged from this break-up. Although large export-oriented industrialists became politically vocal, they were not dominant among private capitalists. As conflicts of interest rose and the private sector became more and more divided over a variety of issues, it became increasingly difficult for the ruling and main opposition party to maintain a populist ideology based on the unity of different classes. Thus, with the break-up of the populist coalition of industrialization strategists came the fragmentation of a unifying political framework. The pro-Islamic party emerged from this fragmentation within the center-right JP. The NSP differed from the center-right JP and the social democratic RPP, which tried to hold on to the ideology of the multi-class populist alliance, by linking Islam with the deepening of Kemalist principles of the nation-state.

The pro-Islamic NSP popularized the theme of “western imperialism”. It appeared to be an
alternative political party to the Left in its concern with making industrialization projects consistent with indigenous potential. The NSP promoted the idea of rebuilding a new society with advanced technology and industrialization via a return to religious beliefs and cultural values. This was to be achieved through a populist political alliance between state bureaucracy and small agricultural and industrial producers against the domination of large private capitalists in the state structure. While the bureaucracy would take care of the production of capital goods producing heavy industry, smaller private industrialists would manage consumer goods production in a manner consistent with Islamic norms of consumption. The state apparatus would assume a central supervisory role in creating a balance between production and consumption norms.

The pro-Islamic party constructed its platform on the ideology that national industrialization and westernization are incompatible. The building of an Islamic economic and political-strategic bloc among Muslim states was part of its effort to mobilize the indigenous potential for industrialization. The political events of the 1978-1979 period created opportunities for such a possibility. The escalation of political conflicts and the rise of Islamic politics in the Middle East established Turkey's strategic importance once again, after having lost its Cold War advantage during detente. The Islamic revolution in Iran and the Soviet invasion of Afghanistan increased Shiite radicalism in the region and created a state of near panic in the West, as well as a fear that Iran's Islamic Revolution would create oil shortages and price increases. It was critical for the U.S to secure Turkey as its strong ally in the region. U.S policy after the Islamic Revolution in Iran consisted of 1- the granting of Turkey's status as an important player in the region - a status contingent upon the provision of American economic aid; and 2- allowing Saudi Arabia a leadership role in the emergence of a "moderate Sunni Islamic bloc" in the region. This policy was played out by the growing international circulation of Saudi capital among Muslim nations in the Middle East. The specific combination of both these policy initiatives produced a shift in domestic economic policy in Turkey, while it encouraged closer ties with oil producing Muslim countries.

Turkey shifted its economic policy in 1980 from protection, which was associated with a trade deficit, foreign exchange crisis and debt, to an export-oriented liberal model of accumulation. The market-oriented model was imposed by the U.S and mediated through the IMF-World Bank, with the condition that the inflow of foreign capital would be used for a structural adjustment program. This is the most
radical since the British-imposed structural adjustment of the Ottoman economy in 1860. The difference between the 1980 liberalization and structural adjustment program and the 1860 mission is that the protectionist industrialization policy adopted by Turkey since the Great Depression of the 1930s has allowed Turkey to build an industrial base, enabling it to export manufactured goods.

In the process, the state did not retreat nor did the markets expand independent of the state in the liberalization experience. However, there was a shift in the form of state intervention, which was accompanied by a significant re-structuring as well as further centralization of the state apparatus. The executive power of the Office of the Prime Minister was strengthened vis-a-vis the legislature and the cabinet, while the power of a new group of managerial technocrats grew in the state bureaucracy.

Unprecedented levels of foreign capital inflow mediated the process of re-structuring and the centralization of state power in the implementation of the structural adjustment program.

The IMF-World Bank stipulation that capital inflow be directed towards a structural adjustment program was governed by geopolitical realignments in the Middle East. The emergent trend was the re-organization of Muslim politics on the platform of the Organization of Islamic Conference. The priority of this organization was the creation of Muslim economic cooperation and planning, the essential elements of which include trade liberalization, investment, and inflow of capital among member Muslim states. It was the correspondence between the trade liberalization principle of the General Agreement and the structural adjustment programme of the IMF and World Bank that Turkey tried to utilize in implementing its export-oriented economic policy. This does not confirm the alleged ascendancy of market forces and decline in state power. Rather, it indicates that the goal of the government was to combine a competitive economic strategy with the economic opportunities created in the region.

The re-organization of Muslim politics on the platform of the OIC created opportunities for Turkey to enter markets in the petrodollar rich Muslim countries of Libya, Iraq, Iran and Saudi Arabia through increased export activity and contracting companies. In the process, Turkey also benefitted from remittances coming from Turkish workers employed by these contracting companies. The war between Iran and Iraq also created the opportunity for Turkey to capture a market for Turkish exporters and contracting companies. However, opportunities created by the war were greater than those from the economic
cooperation idea envisaged by the General Agreement of the OIC.

The transnational movement of petrodollars through bilateral agreements, and Turkey’s participation in the emerging framework for Muslim economic cooperation, greatly strengthened Islam in Turkey. A moderate Islamic ideology was consolidated in the state structure. This was an expression of the political compromise reached between secularist and Islamic elites. The new official state ideology was a Turkish-Islamic Synthesis. Turkish-Islamic Synthesis ideology was intended to justify government action taken in the direction of structural adjustment to a market-oriented economy. Muslim social engineering, which combined Muslim cultural values with an export-oriented economic project, was a manifestation of the political legitimacy sought by the MP for the structural adjustment program.

This program of combining Muslim cultural values with the restructuring of the economy settled one persistent question in the political debate. Similar to the pan-Islamist project of the Abdulhamit era, the official state ideology of the 1980s with regard to Islam was based on the integration of Islam as a moral-ethical value into the state structure, for the purpose of establishing a competitive export-oriented economic model. This was accompanied by the changing perception of the West, which was no longer perceived as a universal model of cultural application, but as a category in the competitive relations of the global economy. The rise of Muslim engineers as a new professional technocratic group in the state bureaucracy was crucial in the consolidation of this perception.

In addition to the entry of Turkish foreign trade and contracting companies in the Middle East, investment from foreign Muslim countries in Turkey also increased. This process worked through the articulation of transnational Islamic institutions (such as the OIC and the Rabita) and Saudi capital with Turkish politics. Here, the linkage is provided by the emergence of a group of Saudi-Turkish joint-venture companies with a strong connection to older religious orders, such as the Naqshbandi and Said-i Nursi movements. Saudi-Turkish joint ventures mediated the inflow of Saudi capital to Turkey. Faisal Finance of Turkey and the Al-Baraka Turk are the most important Saudi-based transnational financial institutions operating in Turkey. Saudi capital and Saudi investment in the banking sector helped to strengthen a number of smaller sized pro-Islamic trading and industrial interests through their joint ventures with foreign Muslim companies. It was this group of pro-Islamic private capitalists representing small-medium size
companies that raised opposition to the social costs of the government incentives which favoured large exporting industrialists.

Following the fall of oil prices in 1986 and the corresponding decline of Turkey's economic activities in the Middle East - which pushed Turkey back into a position of pursuing integration with the EEC, there emerged an alternative Islamic project. This program proposed a more protectionist national economic planning policy, within the context of greater Muslim economic and political integration with the OIC. The religious orders and the pro-Islamic Welfare Party supports this project, as an alternative to the official state ideology of the Turkish-Islamic Synthesis. Although this approach qualifies the links between transnational and national levels of the economy and promotes a program of economic protection that would be established within a Muslim common market, it does not present a coherent view of Turkey's relations with the EEC and the U.S.

15.2. Methodological Considerations

Geographical location and time are both important factors in the study of social change. From the earliest to the latest period covered in this study, local/domestic, regional and global changes are intertwined. However, there is no single, clearly-established method for connecting them. Modernization and dependency/world system theories offer certain possibilities, but there are other avenues of approach. I have therefore pursued a number of methodological strategies to connect the changes noted above. Several kinds of comparison have been utilized.

A number of rough comparisons and analogies are made with outside cases in order to briefly highlight certain features of the Ottoman and Turkish cases. Yet, I have not reviewed the patterns of social and political change in various Middle East or other states. Therefore, this study does not allow me to develop a general model or thesis regarding the patterns of social change in the region or in the larger space of so-called LDCs.

I have adopted a comparative and historical method on the single case of Turkey with a particular thematic focus. The main problematic areas include state formation, the patterns of social-economic transformation, the question of political culture and the role of Islam. One type of comparison used is of an
internal type. Viewed from a comparative and historical perspective on a single case, the questions of political culture, cultural specificity, state formation, economic development, industrialization and other related issues appear in a new light. Both similarities or continuity and contrastive or divergent patterns turn up. For example, there exists a certain parallel between the adoption of the structural adjustment program to a market-oriented economic model by the Ottoman ruling elite in 1860, and the 1958 and 1980 structural adjustment programs of various governments. All the structural adjustment programs have been externally imposed on governments: in 1860 by Britain and during the Republican era by the U.S., IMF and World Bank. The similarities can be observed in the reform recommendations and outcomes.

The reform recommendations of each program reveal striking similarities. All of them recommend that the government reduce budget deficits, restrict monetary growth, and ensure devaluation for short term stability. Additional recommendations include deregulating markets, curtailing the role of the state, and liberalizing foreign trade and foreign capital inflows for long term growth. The similarities are also striking for the outcomes of the proposed changes. Regardless of economic performance and improvements in repayment capacity, or the methods of implementation, there are debt rescheduling and extensive capital inflows to the economy, easing balance of payment difficulties. Again, this is followed by a similar pattern in each period - the productive or repayment capacity of the economy shows little or no change, and the economy sinks deeper into debt as imports rise faster than exports.

The other area of similarity pertains to political responses. Each structural adjustment program is accompanied by the simultaneous and spontaneous rise of an Islamic and secular bureaucratic reaction to the structural adjustment measures. In all periods, the aim was to develop a protective and/or defensive strategy around questions of culture, the social distribution of costs and benefits from the structural adjustment programs, and national regulation.

One possible explanation for these similarities in policy recommendations and outcomes is that there has been a regular cyclical process occurring over the past 150 years: all stabilization and structural adjustment programs are directed towards allowing markets to rule, opening up the economy to global economic forces. However, this position is difficult to maintain, since there are qualitative differences and divergent patterns between periods.
During the 19th century, Britain envisaged a free market system which Ottomans would participate in by producing and exporting primary goods and importing manufactured consumer items. The program of 1860 was developed to ensure a structural transformation that accommodated the British vision. The result was bankruptcy and default by 1875. There is a significant difference between the 19th century outward-oriented economic model and the current outward-looking economic model, adopted in 1980. The protective inward-oriented industrialization strategies adopted during the Great Depression of the 1930s and consolidated during the post-WWII period between 1950 and 1980 have allowed Turkey to build an industrial economy, enabling it to export manufactured goods. The difference with respect to the protective industrialization strategies of the earlier periods is that the implementation of the 1980 structural adjustment program marked a shift in the accumulation strategy from one which relied on the growth of domestic demand to one which relied on world demand.

My concern about conceptualizing divergent patterns between different periods has led to an assessment of how the national strategies of production and trade were socially constituted and reconstituted in the changing relations of the world economy. The need to explore divergence has created a problem with the comparative method in terms of knitting these diverse patterns into regional and global historical economic and political processes. An alternative method of inquiry developed by McMichael (1990), known as “incorporated comparison”, suggests a perspective which views comparable social phenomena as differentiated outcomes or moments of an historically integrated process. This approach argues for the need to grasp world historical contingency by focusing on the dynamic part/whole relation. Considering that the geographical space of a single country has no pre-given unity, I have pursued the methodological strategy of “incorporated comparison” on the single case of Turkey. Thus, the comparative method pursued here does not consider earlier periods to give the inquiry more social context or historical background. My research strategy is a way to explore what I have called the process of structuring in time. The way in which Turkey has been incorporated during different periods into the interconnected relations of the world economy and the state system is a way to investigate the interplay of internal and external processes in changing and persisting patterns.

In other words, the inflow of foreign capital, which was conditional upon economic policy shifts,
was also contingent on the changing assessments of the great or hegemonic powers regarding the geopolitical and military importance of the Ottoman Empire and Turkey. In the nineteenth century the inflow of foreign capital was related to British Near Eastern policy. In addition to providing a large market for British goods, the Ottoman Empire gained primary geo-political importance as the crucial land route to the East (after the development of railroads), and also became a strategic-military barrier against the expansionist policies of the Russian Empire - Britain's rival. Thus, regardless of economic performance, Britain was willing to fund the fiscal problems of the Ottoman Empire as long as they were related to the adoption of a structural adjustment program. When the opening of the Suez canal in 1869 increased the strategic importance of Egypt vis-a-vis the Ottoman Empire, the inflow of British loans was increasingly tied to improvements in the repayment capacity of the economy through increased control, planning and regulation. The establishment of the PDA (Public Debt Administration) accomplished such a role in the Ottoman economy. Similarly, the inflow of loans to Turkey without close scrutiny of economic performance was governed in terms of shifting American foreign policy in the Middle East and the need for a "loyal" state within the NATO policy of containment. Turkey gained strategic-political importance for the American Cold War policy of containment during the 1950s due to its crucial location linking the Middle East to the NATO framework. When détente and conflicts within NATO marginalized Turkey, the inflow of foreign capital was at its lowest level. Protection and national regulation was the policy choice. Turkey regained its political importance in the region after the Islamic revolution in Iran. This was reinforced by the Soviet invasion of Afghanistan and the outbreak of the Iran-Iraq war. As political conflicts in the Middle East intensified, Turkey was seen as a stabilizing factor in the region. This was accompanied by an unprecedented level of capital inflows.

In focusing on these divergent patterns, a broad historical approach was required in order to conceive the processes involved in social structuring. I have been compelled to view these processes chronologically, which has led me to consider actually existing relations or historical events. This is how structuring occurs. Thus, by adopting a comparative historical analysis I have sought to see the relationship between continuity/similarity and divergence in a fluid manner. This strategy has helped me to see the importance of qualitative shifts in the linkage between global and national levels of the economy. The rise
of protective or defensive movements are therefore traced in the dynamics of actually existing relations of structuring.

Once again, a comparative and historical method has been used in my study of the Turkish case to account for the connections between the state system and the world capitalist economy. I have avoided analyzing the economic, political and cultural changes in Turkey as mere responses to external influences. I have also avoided taking for granted the reproduction of a political regime in Turkey, and refrained from treating it simply as support for the international regime governed by the geopolitical realignments under the influence of the United States. I wish to show the interconnections between internal and external factors. The formation of various versions of populist alliances and the articulation of specific cultures of opposition are thus understood as a relationship, a fluid historical process, not as a thing. This results in a way of seeing domestic economic patterns and the elaboration of specific political cultures of opposition in the connection between the state system and world economy. This contrasts with approaches which distinguish the world economy and the state system analytically and treat them as independent from one another. I follow a strategy which sees economic, cultural and political-military relations as separate but also recognize the contingent conjunction between them in the formative processes of the international system.

This raises a serious concern with regard to understanding how "the structure" works. It is necessary to find a way of accounting for human experience which recognizes (simultaneously) that the process of structuring is made by constant and more or less purposeful human action and that individual action is made by historical events. Thus, my attempt at going beyond the intellectual tendency to separate the state system from the world economy is developed around the utility of a dialectical methodology. The strategy I follow takes seriously both structural constraints and human agency in the making of social-political movements in time. I have taken Gramscian approach as a model, making use of the notion of intertwined political, economic and ideological relations to explain the interconnections between large, distant and seemingly impersonal structures and more immediate humanly-created processes. The order of each chapter reflects the logic of this dialectic, with chapters connecting social-economic structural changes and military-strategic relations (combining internal and external factors) followed by chapters on social-
protective movements of several types. The link between the two is established in terms of the political elaboration of popular cultures, which mediate the large-distant-impersonal structures through the lived experiences of various social and capital groups. This is achieved by the active and competitive involvement of political, military and religious elites.

The problem with this type of formulation is that it attempts to join the two types of analysis - structural and agentic - in order to fully understand the processes of social change. The separation between them is the outcome of the contingent formation of a multi-class populist alliance, and the elaboration of specific political cultures of opposition to the state and outside powers. These arguments about the dialectic of structure and action (and/or the global market economy and resistance) are applied to account for the continuing problems faced by the political regime in Turkey - problems which revolve around the balancing of transnational dynamics of power with domestic legitimacy.

15.3. Theories: Findings, Refinements

The above considerations bring me to the final area of inquiry in the present study - the status of existing theories in the field of social and economic change on the case of Turkey. In light of these theories, I will account for the rise of Islamic politics in the context of interactions between the global dynamics of economic and military power and the national dynamic involved in the formulation of a particular trajectory of change.

From the modernization perspective, the rise of Islamic politics can only be understood as anti-modern, traditionalist form of opposition to the Kemalist trajectory of change. This position is firmly grounded in the rural/urban antagonism, the former representing "tradition", the latter setting up the standards for cultural "modernity". Social change is conceived and studied in terms of the flow of Kemalism's modernizing mission to rural areas for the purpose of constituting one homogeneous nation - one totality. The term "traditional", widely used in the modernization literature, evokes a unitary, internally homogeneous and static conception, as well as a romanticized and derogatory view of a distant past. Peasant experience and culture are seen as surviving the previous Ottoman era. In the Kemalist vision, the peasant life style and rural community-based organizations are expected to be gradually replaced by social
class and/or market relations during the course of capitalist industrial development. As this study shows, the Kemalist effort to homogenize the rural was broken once and for all in 1945 with the establishment of the multi-party regime. Peasants were discontent with and resistant to the policies of the government. I have shown that this was not because of obstacles resulting from the organization of life in rural communities or the "traditionalist" resistance of peasants to modernization. The DP, which came to power in 1950, was successful in incorporating the lived experience of peasants into a populist political framework and integrating peasants into its capitalist development project. The Kemalist "modernization" project became acceptable only when the DP was able to connect peasants and local/rural popular cultures with the Kemalist project of "modernity". As a result, I have argued that the unitary perception of "modernity" attributed to the Kemalist project by modernization theory, is misleading.

The "center-periphery" approach has provided some insights into my effort to conceptualize peasant resistance to the Kemalist modernization project. This perspective problematizes the dichotomous conception of the modern versus tradition and analyzes the problems within Kemalism over how to reconstruct society. The most important corrective provided by this approach with respect to modernization theory, is its emphasis on showing the importance of analyzing the historical continuity between the Ottoman political tradition and the Ottoman search for nationhood, as well as the Kemalist trajectory of change. As I have argued, the absence of landed and commercial classes, and ulema - autonomous from the state in the Ottoman social formation, together with an absence of formal colonialism, facilitated a rapid consolidation of state power by a group of former Ottoman civil-military bureaucratic cadres in the circumstances created by the First World War. I have also indicated that one of the fundamental consequences of the Kemalist project of "modernization" is westernization. The origins for this go back to the Tanzimat era. Westernization represents a wholesale adoption of western values and institutions; other cultures are thereby reduced to a status of backwardness, and the people who experience these cultures are defined as ignorant. The center-periphery approach looks to the problematic nature of this perception. It establishes a link between the abuse of power by the modernizing bureaucratic elite in suppressing heterodox elements in society and the mobilization of peasant discontent against it. The discontent of peasants with the government is not conceptualized as traditionalist opposition by "backward" or
"ignorant" peasants to the modernization project, but as popular opposition to the exploitative and oppressive policies of the bureaucratic cadres and their centralist, elitist and authoritarian attitudes. The center-periphery approach's conceptualization of the RPP government as a source of coercion as well as its focus on the cultural-ideological dimension of RPP domination are useful in analyzing the formation of an opposition ideology on the basis of non-economic aspects of human experience. What is problematic, however, is that it looks to the politicization of "peripheral" forces against the "center" as an expression of a necessarily conflictual relationship. As I have shown in this study, various classes or groups do not have an automatic and permanent unity in the periphery. Rather, "peripheral" opposition to the ruling bureaucratic cadres was the manifestation of active political involvement in the DP's political construction of peasant experience and culture. At first the DP, during the 1950s, and later the center-right JP, during the 1960s and 1970s, became actively involved in the construction of peasant experience and culture as a political project, and then incorporated them peasants into the state. This development blurs the distinction between "tradition" and "modernity", on the one hand, and "periphery" and "center" on the other. From 1950 to the end of the 1970s, the needs, demands and aspirations of agricultural communities and other marginals groups were incorporated into the state. The active involvement of political parties in the construction of the political culture of peasants and rural communities was not, however, derived from any fixed conception of economic interest or culture. They were actively constituted as an alternative political culture of opposition.

Marxist and dependency perspectives are not adequate in providing an explanatory framework for non-economic forms of power relations and political cultures of opposition. They share modernization theory's conception of the "backwardness" of a peasant way of life. The argument over the idea and practice of capitalist development is bound up with the premise of modernization theory - that it is industrial capitalism which destroys what is "old" in favour of creating what is "new", a process which creates a working class and capitalists out of peasants and landowners. The focus of Marxist perspectives is on the "civilizing" or "modernizing" impact of the dissolution of old social structures through industrial growth, the integration of peasants and rural areas into the urban world through migration, and the development of market relations in the countryside. The idea of popular resistance to government policies
is thus seen as a form of resistance made in the name of "traditional" structures. These perspectives, then, have not been able to provide a meaningful tool for studying the historical implications of peasant resistance to the statist industrialization policies of the RPP. As I have shown, the DP politically constructed the peasant experience and culture as the creative basis for a new but different design for the development of industrial capitalism. It was with this innovation that the DP and its successor JP made it possible to believe in a different concept and practice of development. However, this new model was seen by Leftist perspectives as the "development of underdevelopment" or the development of a "backward capitalism".

During the 1970s when A. Gunder Frank's name entered into theoretical discussions in Turkey, sociologists, political scientists and economists began to discuss the specificity of the "Turkish case" in terms of what they learned from Gunder Frank about the Latin American "model". Gunder Frank offered the possibility of being both a Marxist and a passionate nationalist, all wrapped into one. The primary focus of Marxist-nationalist writings was thus on the liberation of Turkey from underdevelopment. In this context, Ottoman-Turkish history was studied in terms of Ottoman social formation, the timing of capitalist penetration, the political economy of Turkey's opening up to world markets, and the distributional effects of the development of capitalism, as well as the class structure of the Turkish nation-state and the implications of capitalist development on class alignments within political parties. The significance of Marxist-nationalist writings, which I have utilized in my study, is that the ensuing debates have served to wrench Ottoman-Turkish history out of the official historiography of Kemalism. They offer a number of arguments which challenge the orthodoxies of the official national history. I have also benefitted from their analysis of the globalizing effects of capitalist development - a process of uneven development which introduces new forms of world interdependence in which other possibilities are structurally constrained. The Marxist perspective of Turkey's experience in the larger world economy, its twists and turns of class alliances, and the impact of world systemic pressures on class structure and shifts in domestic political alliances, has also been of great value in rethinking social structure in Turkey.

What is highly limiting in Marxist analysis is that Turkey was put on the map of world system theory in a way reminiscent of Gunder Frank's formulations of the "development of underdevelopment" in
Latin America. Even though their research findings regarding forms of production in Turkey have been very useful, they are severely restricted by being forced to fit into some simple and misleading conceptual "boxes" such as "neo-colonial capitalism", "backward capitalist relations" or "dependency". The Left has missed the opportunity to better conceptualize the creativity involved in the formulation of a different practice of capitalist industrialization.

Marxist theory provides no explanation for the relevant geo-strategic aspects of Turkey's experience within the region, (i.e. the Middle East) or for Turkey's position on the margins of Europe. They offer no analysis of the geo-strategic alignments in the organization of the world economy, and no understanding of Turkey's bargaining power in that process. In the absence of an ability to come to grips with the region, the Left continues to view the Middle East as a vestige of the Ottoman Empire, a distant past Turkey left behind. This leads to a misleading conclusion in the Marxist interpretation of external constraints. As a result, leftist perspectives provide a favourable appraisal of the pro-industrial development strategy of the RPP in the 1930s as an example of independent development. Thus, the period starting with the DP's coming to power in 1950, extending through to the 1980s, is described as the "development of underdevelopment".

My study has departed from Marxist theory by suggesting that various governments between the end of World War Two and the 1980s tried to increase Turkey's autonomy in developing and implementing various economic policies through their active bargaining in the complex relations of Cold War geopolitical realignments. International political economy and state system perspectives (as develop by F. Bloc, Van der Pijl and H. Friedmann, among others), which have not been applied empirically in the case of Turkey, have been very useful in rethinking the "external constraint" on policy-making in Turkey. This study has proven that the "external constraint" is far more nuanced in the results obtained by governments than the conceptualization of the Marxist perspectives which attempt to fit the Turkish case into simple conceptual boxes such as "neo-colonialism" or "dependency". Between 1945 and 1950 the RPP government negotiated Turkey's geo-political importance in the containment of the Soviet Union in return for economic and military aid from the U.S. A similar strategy was also adopted by the DP during the Suez War. When Turkey faced conflicts with the U.S over the Cuban missile crisis and Cyprus during
the 1960s, it began to search for alternative alignments in the state system. Its associate membership with the EEC in 1964 came as a result of the government's decision to increase Turkey's independence vis-a-vis the U.S. Similarly, when Turkey was isolated and marginalized within the Atlantic alliance during detente and the Cyprus War of 1974, it developed new alliances with the Soviet Union and Muslim Middle East states, and tried to increase its bargaining power vis-a-vis the West by participating in the Organization of Islamic Conference. I have also shown that these negotiations were about to increase the governments' ability to finance industrialization. I agree with the Marxist perspective that Turkey is secondary in terms of its economic importance in the world division of labour, but I depart from it in emphasizing that Turkey's military-strategic importance has always been primary. It is within the context of Turkey bargaining for its geopolitical importance and playing regional or super powers against one another that I have analyzed economic policy shifts and the rise of Muslim politics in Turkey. I have found that the leftist conceptualization of conflict and contradiction between social classes in the social and political formation of Turkey (as structured within the economic constraints of the world capitalist system) was inadequate, though useful.

Turkish governments actively tried to reinterpret, reconstruct and reformulate the demands and desires of peasants, urban marginals, small and medium size corporations of private capitalists and large industrial capitalists. The possibility of an alternative idea and practice of capitalist industrialization - one that includes politics based on the specific constitution of political culture - was negotiated within the specific conjuncture of geo-political events. Again, the formulation of such possibilities was not fixed or given, but was constantly made, remade and debated in the course of these strategically shifting events. In other words, in contrast to the Marxist perspective, I have shown that the possibilities of for the articulation of the idea of industrial development and popular culture were not exhausted by the constraints imposed by the structure of the world capitalist economy. I have tried to provide a structural account of the social and political formation of society by accounting for how this comes about. The structure itself generates and sustains the limits within which various possibilities are negotiated.

Marxist theory was successful in challenging the official national historiography, but failed to study the role of daily life and non-economic forms of power relations. Although attention to the class
inequalities has proven useful in my analysis, the Marxist perspective has failed in analyzing the political articulation of elite-mass, urban-rural, and bureaucracy-popular mass cleavages. I have shown that the politicization of Islam was closely tied to the different political articulations of popular discontent with economic and non-economic forms of domination. The subordinate and marginal position of small and medium size private capitalists and peasantry in the process of capitalist industrialization was govemed by political and economic conditions of shifting strategic and geopolitical alliances in the state system. This also provided the material aspect of these articulations of discontent. For example, when detente, economic recession in Europe and the Cyprus War of 1974 marginalized small/medium size industrial and agriculturalist interests, the religious orders and pro-Islamic party gave hope to the possibility that their subordinate and marginal status could be overcome by an Islamic model of economic development.

I have argued that the Islamic model of development was built during the 1970s on the rejection of a consumption-oriented industrial model that has driven previous state-sponsored industrialization strategies. These strategies created deep divisions among various categories of people in terms of social distribution of costs and benefits. What the pro-Islamic alternative was opposed to was the particular state-led industrialization strategy whereby governments seek to mobilize resources and provide the infrastructure for capitalist development, while transferring surpluses to the large private capitalists. This aspect of Islamic opposition was clearly spelled out during the 1980s in the struggle against the structural adjustment of the economy to a market-oriented model.

Once again international political economy and the state system perspective has proven useful in my analysis, particularly when I discuss the global restructuring of the economy in terms of a market-oriented model during the 1980s. This perspective has allowed me to understand the reformulation of political relations within and among states via global integration - one which includes the Muslim politics of Islamic international cooperation. The reformulation of political relations is enforced through further centralization of state power by the inflow of capital, transnational companies and multilateral agencies with new regulatory projects based on wage-cost considerations rather than the political responsiveness of nation-states to the well-being of various groups and classes. These insights, I believe, are among the major findings of this study. I have applied them to the question of whether Islam poses a challenge to the
formulation of political relations under conditions of global restructuring. The role of Islam in the
formulation of political relations among states can only be understood through its capacity to destabilize
the political regimes of key Muslim states which hold strategic importance for both Muslim and Western
states.

In this study I have argued that Islam since the 1950s has been nationalized in Turkey within the
course of an active politics of making, remaking and debating the popular cultures of opposition and an
incorporation into the state structure. In the process, many Islamic ideologies have been produced and
mixed with specific formulations of national interest within the complexities of the state system. This study
has also shown that there is no monolith anti-Western Islam in Turkey. Rather than posing a threat to the
nation-state, Muslim opposition aims at strengthening the nation-state in two fundamental ways. It tries to
do this by providing legitimacy to state policy and it also wants to increase state power by incorporating
Islam as a moral-ethical value in international competition. What is interesting about the combination of
these two dimensions is that the Muslim “anti-west” attitude coincides with the intensification of the inter-
state competition. Muslim politics is formed by the rejection of Western industrial experience as defined in
both economic and political-cultural terms. Muslim opposition sees Islam as an alternative system for the
political restructuring of the economy. However, there is also a parallel Islam which consists mainly of
religious orders whose function is to promote the teaching of the Qur’an and Sunna in alternative private
Qur’an schools and wakfs. There is no evidence to suggest that any Muslim group or ideology has achieved
dominance outside the party system with the potential to undermine the political regime in Turkey. Even
though there is a Muslim ideology which presents an alternative project for economic planning - one which
builds on new regional alliances of Muslim cooperation and wants to qualify the linkage between
transnational and national levels of the economy, this does not suggest that Muslims (or pro-Islamic
groups) have launched an attack on the very basis of the international system, the nation-state. These
Muslims hope for a regeneration of the power of the nation-state in regulating a national economy which is
responsive to the demands, interests and desires of small and medium size corporations of private
capitalists and urban marginals. In this project, there is an implication that some supra-national Islamic bloc
will eventually emerge on the platform of the Organization of Islamic Conference. But, there is little to
suggest that this kind of alternative is emerging. None of the present transnational Islamic institutions, including the OIC, is committed to the supersession of the nation-state.

Once again, the rise of Muslim politics during the 1980s is a response to the uncertainties of the Turkish nation state as it adapts to pressures exerted for structural adjustment and economic liberalization. Structural adjustment is a response to a number of problems. It has been encouraged internally by large private industrialists and externally by pressures from the "advanced" capitalist world mediated by the World Bank and IMF. The exhaustion of the nationally-based strategy of protection provides the condition for the rise of Muslim politics during the 1980s. These findings, similar to others which have discussed the cause and effect relationship between the external and internal dynamics of economic and political power, make it possible to flesh out K. Polanyi’s insistence on the "double movement" - the commodified economy that destroyed established social relations and practices, and the simultaneous and spontaneous effort to resist the devastating consequences of commodification on the lives of people. In light of what I have learned from Polanyi, I have argued, contrary to the economically and culturally reductionist arguments of modernization theory and Leftist perspectives, that both perspectives confuse cause and effect relations involved in the rise of Muslim politics. I have argued that the politics of Islam is more an effect than a cause of the difficulties of the Kemalist model of nation/state formation and the secular trajectories of social and economic change.

Culturalist as well as economically-oriented arguments see within Islam an essential cultural content and conceptualize this cultural structure as an obstacle to "modernity" which is understood as a project of industrialization and the nation-state. Another version of this argument can be found in the explanations of E. Gellner - that Islam with its cultural unity is compatible with industrialization and the nation-state project. It is within this controversy that I have dealt with the issue of political cultures of opposition - a conceptual issue that has proved to be the major missing link in all the models of social change considered above. I have shown that an understanding of political culture is crucial in mediating structural analysis with historical accounts of political coalitions. B. Anderson’s concept of "imagined communities" has been of great value in analyzing the rise of Muslim politics. This means that political Islam does not simply represent the religious elements of popular cultures, but is the product of a
combination of various economic and political forces and events which constitute a new form of political mobilization. It creates a new national political field through a common educational system which incorporates secular values with Islamic ones within the body of secular and religious Imam-Hatip schools, and new networks of media communication. Moreover, the very restriction of the secular program of Kemalism also created greater opportunities for the older religious orders and movements, such as Naqshbandi tariqa and Said Nursi movements. These movements gained access to popular locations such as private Qur'an schools, wakfs and mosques, thus creating a degree of independence from the state. This created a platform for small and medium size private capitalists and urban marginals to create communal forms of defense and organization against the devastating economic results of the structural adjustment program.

Relevant comparisons and contrasts with the Ottoman experience reveal that the rise of political Islam is one, but not the only, kind of response to the negative effects and failures of secular models of social-economic change. It is one form of populist mobilization. Drawing on political parties, bureaucracy and available networks of popular activity, it becomes constitutive of popular demands around a Muslim model of economic development. In line with Gramscian thought, I argue that Muslim politics connects the needs and demands of urban marginals and small producing segments of the economy to the middle strata and focuses on moral and political renewal only by giving direction to the popular cultures of opposition.
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