THE INTEREST GROUPS-STATE INTERFACE: THE CASE OF TURKISH INDUSTRIALS AND BUSINESSES' ASSOCIATION

A Thesis
Submitted to the Department of Political Science and Public Administration of Bilkent University in Partial Fulfillment of the Requirements for the Degree of Master of Arts

By Cetin Kronen From
September 1980
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September 1990
I certify that I have read this thesis and in my opinion it is fully adequate, in scope and in quality, as a thesis for the degree of Master of Arts in Political Science and Public Administration.

Prof. Dr. Metin Heper

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ABSTRACT

In this study the nature of the overall trends in the relationship between the state and interest groups which began to gain political relevancy since 1960s were analysed. The inquiry begins with the description of the relevant interest groups in the political system, specifically, aimed at providing a background information of the organizational schema of the business interests during the period concerned. The strategies of the relevant associations in business sector in the process of influencing the public policies were investigated.

In the analysis arguments of the ideal-type models of interest group-state relations were employed, notably pluralism, corporatism and clientelism. Even though none of the models is sufficient by themselves to explain the interest group-state relations in Turkish politics on sectorial basis.

From this perspective, with regard to Turkish, an emphasis was placed on the interaction between the state and business groups. It was discussed that while in certain areas Association seemed to be tolerated to express its views, most areas of the public policy making was strictly closed to the Association in the name of defending the "state authority." Thus, these contradictory tendencies lead to the diversification of interest and strategies, while greatly distorting any one of ideal type relationship that could be developed between business groups and the state over time.
ÖZET

Bu çalışmada, 1960’larda Tayyip Erdoğan’ın başardığı, çok farklı gruplar arasında devlet ilişkilerinin senkroni hem daima anıltı olarak çarpıcıdır. Bu gruplar, hem de birikimcinin çıkarının, hem de zaman zaman devletin birleşik birliklerinin mãi olmaları sonucunda zamanlı olarak sürülmesi ve birbirinin etkisini yitirmek için hutâna kalktıkları bir modelde bozulmasına yol açmıştır.

Bu görüş acısından Türk Sanayii İlacılıkçıları Derneği, devlet grupları - devlet ilişkisi içindeki yerine tavana yapılmaktadır. Bu durumda kamu politikası hakkında fikir beyan etmesine izin veren düşünceden cogu kamu politikası alanının "devlet etkinlesinin" korunması adına hendeğe kapalı pulmaktadır. Bu çekikliği çözmek için, örnek oluyoruların altını asarak, "çığların ve yöntemlerin" çeşitli alanlarına ve açılarına yönlenmesine uyan ve insanlar arasında zaman içinde gelişebilecek olan herhangi bir modelinde bozulmasına yol açtıkları tartışılımaktadır.

iii
I would like to express my appreciation to Prof. Metin Heper who stimulated my interest in Turkish politics and even more importantly, was an unfailing source of advice and support throughout my graduate year at the Bilkent University; and as the reviewer of earlier drafts offered extensive and thoughtful suggestions for revision; I owe him a great deal.
Contents

Chapter One: Introduction 1
Chapter Two: Theoretical Backdrop 19
Chapter Three: Political - Economic Background 1960-1986 33
Chapter Four: Emergence of Turkish Industrialists' and Businessmen's Association 48
Chapter Five: Turkish Industrialists' and Businessmen's Association During the 1980s 42
Chapter Six: Conclusion 107
Bibliography 117
Chapter One

INTRODUCTION

The state-society relations may be conceptualized from different perspectives, each based on varying degrees of emphasis either on the state or society.

Different views were advanced on the relation between the two spheres. It was emphasized by the classical economists that market was a self-adjusting natural order which coordinated the spontaneous activity of diverse social groups. Sheldon Wolin summarized this approach as follows:

What was truly radical in liberalism was its conception of society as a network of activities carried on by actors who knew no principle of authority. Society represented not only a spontaneous and self-adjusting order but a condition untroubled by the presence of authority... [Hence] the age-old function of distributing goods according to some standard of justice was transferred from the political sphere and assigned to the impersonal judgement of the market.

It is assumed that private interests would emerge autonomously within society. Intervention into the market by outside
authority [read "the state"], had to be prevented. State's role was reduced to be a guardian of private property but no more than that. Thus, society conceived as the source of general order.

Certain criticisms were raised against this mainstream of thought, which reached to its most elaborated form in the works of Karl Polanyi. As he stated, "regulation and markets, in effect, grew up together. Self-regulating market was unknown. Indeed the emergence of the idea of self-regulation was a complete reversal of the trend of development." Then, extra-market intervention became the path of development of a free market. Thus, the state came to play a predominant role in the fabric of society through its interventions into the market.

Increased importance of the state in contemporary world as being the crucial factor in the institutionalization of the market necessarily brings us to its relations with private interest. On the other hand, state-society relations in different countries provided the backdrop for the extent and scope of the state intervention to the private area of the particularistic interests.

As civil society is conceived of the sphere of particular interest, then the politically defined state's relation to its environment gains importance. It was suggested by Metin Heper that a non-political and too strong institutionalization pattern of the state in Turkey had drastic implications in its relations with civil societal elements. High degree of stateness fed by strong institutionalization resulted
in a specific kind of "interest representation" that was in turn shaped by the confrontations of "state elites" and "political elites."

Thus, as it was found by Powell Jr., there existed weak linkages between political parties and social groups between 1965-1975. It was also pointed out by Heper, that "business group did not develop into a class with autonomous economic power and norms. They were opportunistic rather than entrepreneurial and constructive."12

As the crisis of the transition from "state-dominant policy" to party-centered policy revealed itself over different periods13 highly politicized relations between government and associations remained unchanged. Even though one may talk that some continuities can be observed in the patterns of relation between governments and business it can be asserted that with the emergence of TUSIAD, as the first voluntary private business association, there occurred certain changes in the post 1970 period.

In this essay certain features of TUSIAD's relations with "government" and "state" from 1971 till to 1990 will be studied in other words, what is aimed at is to understand the relations between the state and voluntary sectoral representation and the patterns of legitimacy on both sides.
TUSIAD, being the first voluntary businessmen association, constitutes a special case where its relation with the state may provide clues about new patterns of relations between the state and civil societal elements. Thus, the answer to the question of "how TUSIAD is represented in the political order?" deserves special emphasis. Here, criterias for their inclusion, into and exclusion from the policies employed by the authorized agents, are interesting. During the post-1973 period, as pointed out by Heper, some changes took place vis-à-vis the bureaucratic elite. A new type of bureaucrat emerged who offers his expertise to the political party in office. Thus, it can be said traditional bureaucrats' attitude towards the private interest was began to erode by the emergence of these new type of officials namely technocrats. On the other hand, the post-1980 re-institutionalization of the state around different norms and values assigned new roles to the interest group associations. In a changing political environment the "legitimation" and "structuration" of the "political actors" around the newly formulated values and norms necessarily effected their relation with "non political bodies" which in turn redirected the associations towards these values such as "unity" and "order". Thus, the relations between the government and TUSIAD took new patterns.

Focusing on the factors which may influence the nature of the relationship between TUSIAD and government, an effort will be made to analyse the resources held by the two parties. We will try to show the types of control which government possess and may exercise on
TUSIAD. Parallel to this, the strategies used and resources mobilized by TUSIAD in order to shape or influence the government policies on the relevant issues will be taken up. Furthermore, the question of "what kind of channels are used by both parties?" will be looked at. It will be useful to discuss the legitimacy of TUSIAD among other business associations and their relation with political actors with the purpose of providing certain arguments on the permittable limits of the "group, autonomy" in the eyes of the government agents.

TUSIAD's role in the economic system changed drastically in 1980-1990 period, if compared to the previous decade. Between 1971-1980, TUSIAD was an "emerging" business group which began to intervene into the political realm. But in 1980-1990 period one can talk about the leadership of TUSIAD among other business groups. This was because of the external dynamics that were closely related to the anatomy of TUSIAD i.e the sphere of the business activity in which firms belonging to TUSIAD became the leading ones in their respective areas.

The particular structure of government incentives in economy increased the conflict between various business groups. It also affected, the nature of demands of TUSIAD from the government whether they were economic or political demands.

It can be said that during "transformatory phases" of the economic realm, every policy making institution becomes highly politicized, and the relations between and with business groups take forms deviant from that of the "already established ones."
By making a comparative analysis of 1971-1980 and 1980-1990 periods we wish to discuss the changing political factors that effected the economic issues. In this sense, the political process in which the decisions were arrived at becomes important in terms of TUSIAD's "attributed function" in the political arena. TUSIAD's attitude towards government involvement in economy turns out to be a major factor in its definition of "the state's interest" and "private interests." Government-business relations becomes an important factor for the definition of "the state's interest" and in terms of identifying the business' weight in policy process.

Within this framework, we will discuss the ways in which social groups organized and related to each other and to the state. Three conceptual tools are used: corporatism, pluralism, and clientelism, discussed in chapter two. How can we conceive the government TUSIAD relations in terms of the above mentioned conceptual tools is the basic question we will try to tackle.

The concept of clientelism will be specially handy. It refers "to a personalized and reciprocal relationship between an inferior and a superior commanding unequal resources, moreover in contrast to the ideal type of bureaucratic relationship the norms of rationality anonymity and universalism are largely absent from the patron-client nexus." We will look at the nature of exchange relationship between TUSIAD and governments.
Interest groups must be analysed within the context of the general distribution of power throughout the entire political system. In this respect, we will give a brief account of the political environment during the 1970-1980 period in chapter three. In this chapter we will try to evaluate the possible reasons of the crisis of multiparty politics and delegitimation crisis that followed. In addition, the attitudes of the major political parties towards the newly politicized groups will be examined in order to provide a framework to TUSIAD’s relations with political parties.

In the fourth chapter, we will give a brief account of the interface between government and business associations other than TUSIAD. Our purpose is to determine the resources of different business associations that they can offer to successive governments. Then we will inquire whether in this respect TUSIAD is distinct.

TUSIAD’s relation with other business associations will be evaluated in order to give a brief explanation of its relations with successive governments. TUSIAD, as being the first voluntary businessmen association, had a significant impact on politics. So, the reasons which underlined its emergence will be broached.

In the fifth chapter, we will discuss the role of TUSIAD in the Third Turkish Republic and try to analyse the role of TUSIAD in policy process.
The overall project is designed to show why none of the varieties of corporatist or pluralist paradigm is appropriate to characterize TUSIAD-government relations. Alternative arguments developed around the notion of clientelism will be offered in order to provide a framework to understand TUSIAD-government relation.

NOTES AND REFERENCES


5) Ibid.


8) Political definition of the state does not refer to "human associations that successfully claim monopoly of the legitimate use of physical force within a given territory." Thus, the question on the sovereignty of the state varies from one setting to another. Moreover, the sovereignty of the state vis-à-vis other associations and collectivities assumed to be an empirical question for each individual case. See Metin Heper, "Politics and Society in Turkish Political Experience" in State Democracy and the Military in Turkey in the 1980s, edited by Metin Heper and Ahmet Evin, (Berlin and New York: Walter de Gruyter, 1980), p. 1.

9) Metin Heper, "The State and Pluralism in a Muslim Context: The Turkish Case," typescript.

10) Heper, and Evin eds., State Military and Democracy, p. 2.


Chapter Two
THEORETICAL BACKDROP
AN OVERVIEW

Traditional studies on interest groups basically derived from "group theory of politics" which conceived of politics as a process of the allocation of social values and resources that could be unravelled by examining the groups which take part in and have potentiality in effecting the decisions made in the political process.¹

Bentley's studies opened up a new page in group theory of politics and were later elaborated by Truman and Latham.² Ultimately, these attempts aimed of understanding politics rather than to develop theoretical arguments on "interest groups."

A set of concepts and arguments specifically generated from "group" framework provided the theoretical construct for the study of the political behavior in general. So, Truman defined interest group as "any group that on the basis of one or more shared attitudes makes certain claims upon other groups in society for the establishment, maintenance or enhancement of form of behaviour that are implied by the shared attitudes."³ Truman argues that interest group associations would emerge spontaneously. He took an optimistic view on the natural wisdom of society in that competing groups will spontaneously arise and an "invisible hand" will secure social checks and balances, stability, reasonable share for all, and prevention of special sectional interests being met at the virtual expense of other interest.⁴
The assumption behind the conventional pluralist approach is that the basis of the interest groups are shared or common interests and public policies that reflect these common interests. Thus, "shared attitudes inspire people to join a group. The emergence of an interest group is based on the interaction on the basis of shared attitudes."\(^5\)

According to Truman organizational structure of interest groups do not have any relevancy concerning the interest a group has because it only indicates about the patterns in which the group members operate. As put by Truman, "the existence of neither the group nor the interest is dependent upon formal organizations... Organization indicates merely a stage or degree of interaction."\(^6\)

Group theorists perceived of politics basically as an interplay between various interests, whether organized or not. They studied the methods interest groups utilize in order to pursue common interests.

From this perspective "all politics is no more than interest group politics."\(^7\) Even though "it [group theory] has relevancy in terms of the analytical design" as emphasized by Moe, "it says nothing more than that politics is being interpreted through the employment of a special conceptual device."\(^5\)

In the group theory of politics, "government is reduced to a formal device for registering the outcome reached in the struggle for power among interest groups, its independent powers and creative
potentials being subordinated to the function of meeting interests of
groups."\textsuperscript{9} The government is assumed to be the passive-receiptent of the
demands of interest groups. As pointed out by Brenner, "reductionist
sublimation of the political order into the world of social pluralism
represented a theoretical trend, some elements of which continue to
dominate contemporary writing on pluralist democracy."\textsuperscript{10}

At the same time, Truman's argument that "interests respond to
events, interact and exert pressure on government according to the
general principles of group behaviour and independent of socio-political
conditions"\textsuperscript{11} raised some criticisms. It was argued that Truman's
argument neglected the impact of major structural and policy changes in
this relationship. The rights, power and expectations of the private
economic associations would be different in different cultural settings
and Truman's model did not take this into account. Thus, LaPalombara
emphasized the importance of political culture in determining the
patterns of interest representation.\textsuperscript{12}

Structural-functionalism provided another paradigm to study
interest group politics. Structural functionalism conceived of
politics as a system of interrelated behaviors, distinguished specific
functions that must be carried out if the system is to survive. Gabriel
Almond provided the schema of five input (recruitment, socialization,
communication; interest articulation, and interest aggregation) and
three output functions (rule-making, rule application and rule-
adjustment). Each function is performed by a specific structure.
Interest groups are structures which perform the interest articulation function.\textsuperscript{13}

Thus, interest groups are the channels in which specific demands are transmitted from social system to the political system. Political parties function as aggregating agents with the task of reconciling the demands articulated by interest groups. Other structures, namely legislature, executive and judiciary, translate these inputs into policy outputs.\textsuperscript{14}

It was pointed out that when structural functionalism attempt to describe politics, "there is a implicit tendency to take a one dimensional view of interest groups or at least to emphasize the articulation aspect of what interest groups are, what they do and why they are important."\textsuperscript{15}

In fact, Almond placed the traditional view of interest groups into a more comprehensive concept of interest articulation.\textsuperscript{16} Interest groups as functional parts of a "working system" provide boundary maintenance between polity and society.\textsuperscript{17} It implied that a certain pattern or type of interest articulation by the associational groups is a norm. It was emphasized that "... the structure and style of interest articulation define the pattern of boundary maintenance between polity and society, and within the political system effect the boundaries between the various parts of the political system—parties, legislatures, bureaucracies and courts."\textsuperscript{18}
Thus, Almond's classification of interest groups can be properly understood when it is conceived as a relationship between polity and society. Almond points out that "associational interest groups with constant, specific, general and instrumental style of interest articulation contribute better to the boundary maintenance than those of uninstitutionalized, nonassociational and anomic interest groups with affective, diffuse, particular and affective style of interest articulation."19

It was argued that their function is not only demand articulation but also demand reduction.20 On the other hand "they inject into the political system the raw unaggregated demands of specific interests, or... diffuse uncompromisingly or revolutionary and reactionary tendencies" in turn "specific interests and ideological tendencies penetrate the bureaucracy and undermine its neutral, instrumental character."21

Robert Bianchi marks the similarity between the functionalist schema of Almond and Samuel Huntington's developmental approach. Huntington's primary concern is the role of interest groups in the relation between polity and society. Huntington focuses on a series of gaps between mass and elite, aspirations and capacity, rates of participation and rate of institutionalization, newly mobilized social forces and the state.22 "Interest groups" and "the state" becomes the linchpin of Huntington's schema. He argues for the necessity for
increasing the state power when weak governmental structures are confronted with excessive, unlimited demands of the social groups.

According to Huntington, the basic problem of modernization is the "creation of legitimate public order" where public interest is identified with the interest of the state. Huntington argues that "legitimacy of government actions can be sought in the extent to which they reflect the interest of the governmental institutions." Thus, "government institutions derive their legitimacy and authority not to the extent to which they represent the interests of the people or any other group but to the extent to which they have distinct interests of their own apart from all other groups."

The effect of modernization is the increased mobilization and participation in politics where participation exceeds the institutionalization. It also means a dispersion of power where it is necessary for channeling, adopting and structuring the excessive demands of newly mobilized groups. The critical point is that for Huntington, party and group organizations are not the means of channeling political demands but rather they function as "filters" where the newly participated ones are socialized to the already existing values and practices.

The similarity to Almond's approach lies in the fact that both of them conceive interest groups and parties as demand reducing mechanisms. As emphasized by Bianchi "...the primary task of group and party organizations is to ensure boundary maintenance between polity
and society in order to prevent what might be called a "performance gap" characterized by overperformance of 'input functions' and the underperformance of 'output functions."[27]

To sum up: Earlier group theorists discussed the basic premises in intergroup relations, Almond contributed to the field by his attempt of conceptualizing interest politics at a higher level generalization, around the notion of interest articulation. Huntington constructed a theoretical framework around the notion of political institutionalization which pointed in some cases to the need to strengthen the state. As pointed out by Bianchi "...the principle contribution of developmental and group theorists are summarized in their assertion that at lower levels of development relatively unstructured interest groups tend to promote excessive participation which threatens political stability and economic growth, whereas at higher levels of development, well organized groups tend to constrict effective participation, contribute to the stagnation of party-electoral politics and preserve stable inequality."[28]

The importance of these theories stems from the fact that they make emphasis on interest groups as significant structures through which state-society relations can be conceptualized. Even though interest groups perform diverse functions, structuration of interest representation can be studied through three alternative paradigms, namely pluralism, corporatism and clientelism.
Pluralism is defined as "a sociopolitical system in which the power of the state is shared with a large number of groups and individual members represented." Eighteenth century contractualist theorists like Locke and Madison provided the philosophical justification for pluralism with reference to natural law.

Pluralism is conceived as a system in which political power is divided among the branches of government and shared by the state and a number of private groups and individuals. The groups in question do not have any legal status, but they exercise influence on government with the aim of influencing it with their own policy preferences. Such groups mediate between individual and organized state power. The groups are regarded as the representatives of interests of individuals; through them the distance between the state and the individual is narrowed. As emphasized by Douglas A. Chalmers, pluralism places the bargaining and confrontation between groups at the center of its analysis... The pluralist view conceives of the state in essentially regulatory terms. Few pluralists would limit the state's actual behavior to the watchdog role posited by the early liberals and most recognize the importance and extent of regulation. But in a pluralist model the state is not a constituent part of interests. Rather it remains external to those interests, setting boundaries, rules and incentives."
With the shift of emphasis from individual to group behaviour, group participation in public policy became significant. Growing emphasis on group politics, pluralist view posits that the essential thing is competition and participation among the organized groups but not among the individuals. As elaborated by Phillippe C. Schmitter, "any mode of organized interest intermediation pluralist, corporatist... must involve two contrasting aspects of political communication.... These two aspects can be representation and control." Thus, in pluralist mode "the constituent units are organized into an unspecified number of multiple, voluntary, competitive, nonhierarchically ordered, and self determined (as to type or scope of interest) categories that are not specifically licensed, recognized subsidized, created or otherwise controlled in leadership selection or interest articulation by the state and that do not exercise a monopoly of representational activity within their respective categories."

By the increased salience of the state in the economic sphere, attitudes towards the state began to change. Erosion of the negative attitude towards the state coupled with the view that among other social entities, the state alone has the ability both to recognize and to produce resources that would meet the growing needs of the contemporary modern societies. It was pointed out that as a result of this mutation, many interests emerged which depend on the state for the benefit and subsidies and for its arbitration in their competition with

18
other groups. Thus, in the normative sense the pluralist conception of the role of the state was reversed.

CORPORATISM

Pluralist school of thought largely neglected the role of the state in group politics. Multiple groups held together by the "regulatory state" is the main theme in the pluralist discussions on the state. Organization of the private sphere by the groups which hold the essential drive in society led the pluralists to develop a society-centered approach. Roy Macridis referred to this focus as "inputism" and noted:

The famous "black box" as graduate students have come to know government is at best a filter mechanism through which interests express themselves, and, at its worst, a simple transmission mechanism. The role of state is reduced to the narrow confines of an organization which channels, reflects and expresses commands and instructions from 'elsewhere'.

Even though corporatism is regarded as a rival concept to pluralism, corporatist theorists have broadened the scope of the concept of interest representation in such a way that it covers the pluralist framework in policy making, too.
The predominant view is that corporatism is a form of interest representation. Schmitter, one of the leading figures in corporatist theory, favors the term "interest intermediation" to "interest representation"; where it refers to a system in which citizen delegate their representatory right to other bodies. As observed by Claus Offe, it is related to "the diminishing role of other representative bodies especially parties as agents in the formation of political will of the people." It was suggested that during the crises of multiparty systems, corporatism permits a special kind of interest representation between groups and the state.

On the other hand, some other students of corporatism such as Gerhard Lechmburc had in mind more than a form of representation. As stated by him, "corporatism is more than a peculiar pattern of articulation of interests. Rather it is an institutionalized pattern of policy-formulation in which large interest organizations cooperate with each other and with public authorities not only in the articulation (or even intermediation) of interest but, in its developed forms, in the authoritative allocation of values and in the implementation of such policies. It is precisely because of the intimate mutual penetration of state bureaucracies and large interest organizations that the traditional concept of interest representation becomes quite inappropriate for a theoretical understanding of corporatism."
In Lehmbruch's approach corporatism is a way of policy-making an institutionalized pattern of policy formulation. Moreover T. Winkler conceptualized corporatism as an "economic system in which the state directs and controls predominantly privately owned business." The latter definition refers to a certain level of development of the economic system which has distinct characteristics from the early laissez-faire capitalism; there would be a highly bureaucratized state which extensively intervenes in economy.

Schmitter tried to compare pluralist and corporatist forms by placing them in a continuum that is as opposite polar forms of interest group politics. Two forms may co-exist in varying degrees from one group to another. Schmitter elaborates a set of characteristics peculiar to each type. In their respective sectors they are singular or multiple in number and are monopolistic or competitive agents. The internal organizational structure of the groups may be based on compulsory or voluntary membership and are hierarchically or non-hierarchically organized. These associations may be officially recognized, licensed, subsidized or created by the state and state may exercise control over their selection of leadership and articulation of demands and supports. Some groups such as employers associations fit better to corporatist form but for especially non-producer groups pluralist form is better suited. It was suggested that corporatist form is functional in areas of incomes policy and economic planning. As it was noted by Wilson; "to cope with these mixed patterns that exist in the real world, theorists claimed that corporatism and pluralism are

21
the ideal types on a continuum with the actual practices somewhere in between. Corporatism thus becomes an axis of development instead of situation or condition."

"State" occupies a central place in corporatist theory. Central assumption of the corporatist view on interest politics is that "State may not be an arena for which they [interest groups] compete but a constitutive element engaged in defining, distorting, encouraging, regulating, licensing and/or repressing the activities of associations." Fowekaner underlines the importance of the state as follows "there is broad agreement that all corporatisms must be located in the field of relations between the capitalist state and civil society and that talk of the relationships between the state and civil society... supposes a complex approach to the state itself, which is understood not as an instrument of the ruling class nor as a political arena equally accessible to all class (and nonclass) forces, as a unified subject in its own right which floats freely above civil society." The emphasis made on the state as a principle actor is seen by some as a clear advantage for corporatist theory as opposed to the neglect of the state in pluralist theory especially, in the extreme form of group theory.

To sum up: Corporatism is a term applied to the structured representation of functional interests in the process of policy-making and refers to an exchange relationship with the interdependence of the
interest groups to the state and vice versa. The nature and the content of the exchange specifies the relative power of the group and the state, and defines the degree of mutual autonomy. Alan Cawson refined the concept with regard to the limited sphere of government group relations. According to him, corporatism has three varieties. It includes, micro-corporatism which involves individual firms and the state, meso-corporatism involves interest associations in certain sectors and the state, macro-corporatism involves the state, employer's and employees' peak associations, at the national level. This relationship between the groups and the state also determines the power of the state over the groups. As it was emphasized, in corporatist theory, state is treated as an actor in itself with a relative autonomy. The structuration of interest organizations are partly determined by the "public policy towards associations and political culture which means the direct impact of the "State in shaping or initiating group development and the importance of certain enduring attitudes and values, particularly among the political elite and the associational leadership in influencing the group behaviour." "

CLIENTELISM

Clientelism can be defined "as a personalized and reciprocal relationship between an inferior and superior" the latter "commands unequal resources" contrary to ideal type of bureaucratic relationship, "the norms of rationality, anonymity and universalism
are absent from patron-client nexus." It is an informal and particularistic exchange relationship between actors of unequal status and power. It has been suggested, that more the state is a visible actor of the political game and penetrate society the more one would come across clientelism based on patronage relations.

In terms of group relations clientelism basically refers to a "posture of personnel dependence on a superior within a status hierarchy for fulfilling assorted social economic and political goals. Clientelism differs from corporatist linking of the organized groups to the policy-making process. Clientelism characterized by the personalism of the relationship between the patron and the client. As discussed by Chalmers "corporatism draws attention to whatever specific rights and obligations and norms of behaviour."

Corporatist set of arrangements basically requires the monopolization of interest representation by a noncompeting officially recognized group that is authorized by the state. In corporatist forms the relationship between groups and the state is controlled by the formal requirements of the law. On the contrary, clientelism manifests informality and flexibility. There would be fragmented and personalized and, most importantly, uninstitutionalized forms of interest representation at different levels such as at government, party and/or bureaucracy.
In the process of modernization, an increased mobilization and differentiation of system boundaries are expected to take place. Political system would be structured on the basis of principles of what Weber called "legal-rationality." In Almond's terminology, "officials and individuals occupying roles in other subsystems act as they do, because of impersonal bonds to the generally defined and functional duty of office." In such a polity no place is left for a personalized and affective bargaining and therefore for clientelistic relations.

On the other hand, as Huntington is already noted modernization process may result in an excessive participation. In other words, excessive demands may be an obstacle to the adaptability capacities of the preexisting political institutions, decrease their autonomy and deteriorate their complexity and coherence. The result is a chaotic and unstructured politics in which more and more diverse social forces become politically active and attempt to achieve their goals through various tactics that they can most effectively employ. The development of political institutions capable of providing channels for the articulation and aggregation of interests becomes increasingly difficult. Moreover, delegitimation of the main political institutions distorts the expected forms of interest articulation and aggregation. The state may be captured by a set of sectional interest; thus it loses its autonomy. This process may take place in LaPalombara's terminology as clientela and parentela relationships.
In clientela relations certain interest groups gain privileged access to the bureaucracy, ministeries or to the political party but other groups in the same sector may not have such access. In parentela relations certain interest groups gain privileged access to policy-making process through the ruling party. The relationship is shaped by the nature of resource the relevant interest groups can offer to bureaucracy and/or to the ruling party in the "exchange" process. The resources at the clientela form are, group's representative capacity over respective sector, organizational strength and its technical expertise. In parentela form the nature of the relationship is determined by group's commitment to the ruling party's political rhetoric, its voting capacity and financial resources.65

Then, the critical question turns out to be "who gets what and how and when" in the relationship between TUSIAD and government. Thus, as already noted, in this essay, to what extent (if at all) the TUSIAD-government relations fit either of the three paradigms of interest group politics - pluralism, corporatism and clientelism.

NOTES AND REFERENCES


4) Ibid., p. 33.

5) Ibid., p. 506-516.

6) Ibid., p. 36.


10) Ibid.

11) Ibid.


14) Ibid.


19) Ibid., pp. 33-38.

20) Ibid., pp. 35-37.


23) Ibid., p. 7 and pp. 33-34.

24) Ibid., p. 27.


27) Boundary maintenance is defined as "shielding the bureaucracy from political demands." Ibid., p. 10. For a critical analysis of the problem of boundary maintenance see, S.E. Finer, "Almond's Concept of the Political System: A Textual Critique," *Government and Opposition* 5 (1970), pp. 3-21.


42) Ibid.


56) Ibid.


58) Schmitter, "Modes of Interest Intermediation and Models of Societal Change in Western Europe," p. 9.


64) Cox and O'Sullivan, The Corporate State, p. 79.

65) Ibid.
The 1960s were the years in which Turkey experienced both weak coalition and majority party governments. The Justice Party (JP) inherited the votes of the former Demokrat Party (DP). In 1965 elections JP defeated Republicans People's Party (RPP) which headed coalition governments between 1961 and 1965.

During these years RPP introduced the "left-of-center position" to the political arena - which shifted the party to moderate left while a new leader emerged in the party, namely Bülent Ecevit. The left-of-center position did not result in a victory at the polls in 1965 whereas stimulated new opposition groups in the party. The party's vote fell to 27.4 percent in the 1969 elections. Taking over the votes of DP, JP alienated some of the factions in the party with its strict commitment to big business and by its relative moderation on social issues. National Order Party (1973) and National Salvation Party (NSP) of Necmettin Erbakan and militant ultra nationalist Nationalist Action Party of (NAP) of Alparslan Türkeş and the Demokratik Party of Ferruh Bozbeyli (1971), along with other splinter parties, also emerged.

There occurred the fragmentation and polarization of the political parties which reached to its apex in late 1970s. During these years ideological distinction between two major parties, JP and RPP, began to be sharpened that was fed by the emergence of the Turkish Labor
During the 1960s the main economic concern was that of setting up a wide industrial base behind protective measures of an import substitution policy. Throughout the 1960s a new role was attributed to the state in the economic arena. State had to supervise and back private sector's growth.

State intervention in the economy was encouraged by the major political parties. RPP, with its strong commitment to the etatist principle, expressed the view that state should operate in certain fields especially in strategic industries. In other areas, it must encourage and protect private industry. JP argued that state intervention in the economy was necessary because private sector could not realize the goals of economic development by itself. However, the JP proposed a temporary role to the state. State's activity in the economic sphere would prevent the formation of monopolies and would be complementary to the activities of private sector. Under high risk conditions state would provide commercial leadership in fields where huge capital investments and technical assistance were necessary.

During the period under consideration annual growth rates reached 6.7 percent in real terms while structural changes took place in the economy. The share of agriculture in the total GNP fell from 38 percent in 1960 to 23 percent by 1976 while industry's share increased from 16 percent to 25 percent.
Throughout the 1960s and 1970s planned development was the axis of the economic policy which aimed at creating harmonious relations between public and private sectors. Industrialization through the production of manufacturing goods so that Turkey could be competitive in foreign markets, and ultimately integration into the European Economic Community by the 1990s were the principal goals behind the economic policy making.

As a result of the "developmentalist approach" state backed private sector within the framework of five-year-plans through which there was an effort to coordinate all sectors of public and private investments. The model was based on expansionist policies which in effect resulted in continuously increasing inflation and large balance-of-payment deficits.

As the country reached to the 1970s the picture was somewhat blurred. The governments were challenged from many sides. Unemployment rate reached to high levels, accompanied by severe urban violence of leftist and rightist activists.

There occurred two important developments during the 1970s. The first one was the "military coup by Communique" in March 12, 1971. Military forced the Demirel government to resign claiming that "the government was driving our country into anarchy, fratricidal strife and social and economic unrest with the consequence that the future of the Turkish Republic is... seriously threatened."
Turkey was governed by "above-party governments" in the following two and one-half years. Under the martial law, street violence was slowed down. In 1972, TLP was closed by martial law authorities.

It was suggested by Nordlinger that the 1971 coup by communique was a moderator type of military rule i.e., military exercise (or threaten to exercise) veto power over civilian governments with the goal of preserving the social and political status quo. Political parties resisted the military's rule in politics. The military and politicians came to a confrontation when in 1973 the military's candidate for the presidency of the Republic was rejected by RPP and JP.

Another important development was the shift that took place in the ideological stand and in the electoral fortunes of the RPP. By the 1973 general elections RPP emerged as the biggest single party on the left. In the 1973 elections RPP received 33.3 percent of the votes but the 1977 elections was a turning point where the votes gathered by the party reached to 41.4 percent. It was suggested that RPP reversed the trend of the votes it received in the past where one can observe significant decrease from 1950 onwards.

In January 1974, RPP and NSP formed a coalition government on the basis of an agreement on some broad economic programs. But the government fell from power in September 1974 and the first "Nationalist Front" government headed by JP was formed in April 1975 with the contributions of three other parties on the right namely National

From 1975 onwards Turkey experienced rapid inflation, high unemployment and foreign indebtedness. Thus, Demirel's Nationalist Front government supported by NSP and NAP and RRP could not be able to take decisions necessary for the stabilization of the economy as its parliamentary majority was based on only three votes. During this period "the conflicts between the coalition members frequently ended in immobilism - a characteristic consequence of a political consolidation crises." 9

RRP emerged for the second time as the biggest single party in June 1977 elections. RPP's party program which was adopted in 1976 placed strict emphasis on "social justice" as the principal component of left-of-center ideology. Party argued that just and balanced income distribution was a necessary condition for a just social order. The measures which party advocated for reducing the income inequalities were based on fiscal and monetary policies, structural changes in the economy, reorganization of public services in order to give priority to low income groups and on developing underdeveloped regions. They proposed a land reform program as a means to achieve the structural change in the economy. The notion of "popular sector" introduced by the party was the second category of the structural change program. The sector was supposed to exist as an intermediary between public and private. It would be based on the economic enterprises established by
workers, public enterprises and popularly based corporations. It was expected that the popular sector would contribute to the achievement of high rates of economic development and minimize the inequality in the distribution of income. Even though the party received 41.4 percent of the votes casted, in terms of seat it was short of a parliamentary majority. RPP could not manage to form a majority government. Thus second Nationalist Front government was established but it was forced to resign in December 1977 by a vote of no confidence in the parliament.

Following the resignation of the government, RPP formed a minority government by a fluid support in the Assembly. That government resigned after the defeat of RPP in assembly by-elections in October 1979. Then, a JP minority government was formed which was ousted from power by the military intervention in 1980.

It was suggested by Tachau and Heper that the 1970s was characterized by "fragmentation and polarization and by the lack of decisive authority on the part of the government." The extent of polarization went beyond the party system and contaminated the social sectors such as organized labor and civil bureaucracy.

The schema of politics developed by Samuel Huntington around the term "praetorianism" seems to provide a set of concepts in terms of which one can evaluate the political crises of the 1970s. During the years concerned newly emerged groups in society confronted each other "nakedly", without any moderating influence of mediating institutions and legal restraints. The picture became close to Hobbessian war of
all against all. There occurred a series of crises of legitimacy which appeared in part the product of increased participation.\footnote{14}

In a praetorian environment being in power is central because it provides the leader the means to control and manipulate the government apparatus and furnishes opportunities for patronage.

The incapacity of the already existing political institutions to regulate the demands of diverse sectors of the society was perceived by the military as the "erosion of state's authority"\footnote{15} or "lack of authority."\footnote{16} The institutional framework prevented decisive action on the side of the political authorities. The military showed its uneasiness to the liberal provisions of the 1961 constitution by imposing amendments after the 1971 coup by communique.\footnote{17}

The military claimed that the demands of the newly emerged groups exceeded the capacity of governments to satisfy them.\footnote{18} Thus, military backed the above party governments which drew their policy frameworks on the theme that certain sacrifices of political and social rights were necessary for the long term rapid industrialization program and for membership to European Common Market.\footnote{19}

From another view point, developments of early 1970s may be said to have given the first signs of a change in economic policy making. The August 10 1970 measures were the first steps of a shift from inward-looking to external-oriented growth model. Economic policy
measures aimed to back big business and stimulate the industries by re-
allocative mechanisms.20

The Third Five-year plan (1973-1977) required the reduction of
demands for income distribution and social justice. It reflected the
values and priorities of JP i.e., a strict commitment to a growth
rhetoric. The plan recognized the imbalances in the income
distribution but it was noted that redistributive measures would have a
negative effect on economic growth rates. It was stated that "at a
certain level of income, even if it is were possible to raise the
standard of living of certain income groups through measures improving
income distribution, such an approach would limit the growth potential
of the country by slowing down capital accumulation, and thus retard
the achievement of a higher standard of living in the future.
Consequently, the improvement of income distribution among various
income groups and regions and the extension of the social security
system to include the entire society are accepted only as long-term
objectives. In the short run, however it will be made possible that
everybody receive a share of the rising income sufficient to meet his
minimum requirements."21

The approach of the era was based on the observation that
inefficient use of resources would slow down capital accumulation and
economic growth. The plan emphasized the incompability of social
equity and economic growth and gave priority to the latter.22
Post-1971 period could be characterized by changing political and economic priorities. On the political arena new measures for moderating demands for participation were introduced and new patterns of distribution of resources among the productive sectors were adopted. The measures taken by new military rule were different from the previous ones of 1960 intervention, which encouraged participation. Turkish politics "both before and after the March coup came to involve the military, technocrats and bureaucrats and party and interest groups leaders in a subtle bargaining process aimed at fashioning a long term non-authoritarian compromise that would provide institutional mechanisms for consensually moderating demands and allowing a big push towards large scale industrialization and eventually Common Market membership."  

It is also important to note that the attitudes of two major parties, [RPP and JP] towards "participation" in politics differed from each other to such an extent that the consolidation of one of them in power would have changed the picture drastically.

It was proposed by Huntington and Nelson that the populist models of development tend to adopt policies that aim at reducing socioeconomic inequalities and increase political participation whereas the technocratic model tends to reduce participation and increase inequality. As Ergun Özbudun observed "Turkish parties seem to have become at least instinctively aware of the implications of these models. Thus it is no coincidence that the RPP which clearly favors redistributive policies, also strongly emphasizes a 'participatory democracy' based on a 'more widespread and effective political
participation." Similarly, the JP combines conservative attitudes towards income distributions with a concept of democracy which is more representative than participation."24

The policies advocated by RPP were designed to increase participation by encouraging the popular sector, and by providing opportunities for effective organization and unionization of labor force. On the other hand, the JP's strict commitment to economic growth conjoined with a view of democracy derived from the notion of national sovereignty. According to this view sovereignty belonged to nation and exercised through the elected representatives.25 Thus, "No other person, group or institution may have a claim to represent the national will... or become a partner to the right of national sovereignty."26

JP developed a negative view to the activities of voluntary associations, of business and trade unions which would have the potentiality of influencing the legislature. Politics should remained as an arena for politicians. Once they were elected politicians "were to be considered as the sole and legitimate representatives of" the nation. It was pointed out that political activities of nonauthorized bodies create obstacles to the formation of strong and stable governments.27

In passing it is important to note that with the emergence of Nationalist Front governments the bureaucracy was politicized and gradually became an active partisan instrument of governments.
Especially small partners of the Nationalist Front attempted to increase their control over bureaucracy by changing the internal organizational structure of the ministries which they held. They increased the number of civil service posts, then appointed their own militants to those posts. Thus, "ministries came to be referred to as citadels of this or that party."\(^{25}\)

...The norms of rationality, anonymity and universalism began to erode which are the basic characteristics of an "ideal type" bureaucratic relationship.\(^{29}\) It was stated by Ilter Turan that "the spoil game nature of politics, and the extreme emphasis deputies placed on constituency service also contributed to bureaucratic decline and partisanship. Deputies and other officials of government parties wanted to get things done no matter what the broad lines of governmental policy were or what the last might say: and only a partisan bureaucracy could respond favorably to everything they requested."\(^{30}\)

...Emergence of mass parties in the political arena accelerated a new kind of interaction between parties, government and peak associations of business and labor community. The number of voluntary organizations in Turkey rose from 802 in 1946 to 37,806 in 1968.\(^{31}\) The impact of this development on the governmental apparatus opened up new patterns of interaction as many of the associations were overly politicized in a praetorian environment. Articulation of the common interest of their members tended to be a secondary function where most of the associations were dominated by small, politically motivated cadres and became instruments of polarized political struggle.\(^{32}\)

44
Even though interest "articulation" function deteriorated in an overpoliticized environment, associations which claimed to be the representatives of their respective areas flourished as new actors of the political game. The result was a certain degree of pluralism. Nevertheless, the questions of the characteristics of the relationship between government and associations or what kind of benefits accrued and sacrifices made remained rather obscure. The increased polarization and participation which were fostered by the falling rate of economic growth led to the deterioration of the institutional mechanisms in major sectors of the economy and of the polity.

The newly emerged relationship tended to be a clientelistic type. Government offered the respective clients a set of incentives for the political gains. It is now in order to look at the interest group politics proper, the role of various interest group associations and the emergence of TUSIAD.

NOTES AND REFERENCES


4) Ibid., pp. 15-19.


12) Ibid.

13) Huntington, Political Order in Changing Societies, p. 196.

14) Ibid.


17) Heper, State Tradition in Turkey, p. 125.

18) New "Fundamental Rights and Freedom Law" which would provide an opportunity to put restriction on associational activity was in the agenda of Demirel government. Cumhuriyet, (Istanbul Daily) October 10, 1968.


21) Özbudun and Ulusan, eds., Political Economy of Income Distribution in Turkey, p. 75.

22) Ibid.


25) Ibid.


30) Turan, "Stages of Political Development in the Turkish Republic," p. 94.


Dankwart A. Rustow once suggested that "pressure groups are notably absent from the Turkish political scene." But beginning by the 1970s several labor and business organizations entered the political scene and tried to accomplish certain goals through formal and/or informal means, such as party affiliation or party patronage.

The industrial sector's relationship with the state was characterized by the exceptional protections. "They...[enjoyed]...state patronage, monopoly opportunities and concentration of power." It was also noted that "Turkish industrialists are not threatened by, but welcome state 'intervention' in the form of state subsidies and protection they receive in exploiting a limited market. Protected by enormously high tariffs, their fear is not state 'intervention' but competition in any form whether public or private. The state in Turkey has not been a threat but an instrument in the creation and the protection of a national industrial class."

In their relationship with the state the business community's access to government was the consequence of state's initiative because of the fragmentation of their organizational structure and multiplicity
of interests among the business sector. As expressed by an Istanbul industrialists,
everybody should know that the private sector in Turkey is not as influential as it is often thought. It is heterogeneous and intra-sector jealousies are all pervasive. It is not well organized. Istanbul versus Anatolia competition persists. Large industry is always in conflict with small industry. Some of the Chambers of Industry do not view favorably the Turkish of Industrialists and Businessmen's Association which they think is an exclusive club of big industrialists. There are no close ties between chambers of commerce and of industry. Only one third of the employers had been organized within the [Turkish Confederation of] Employers' Association.  

Commercial and industrial sectors were organized in several associations between 1970 and 1980. The most influential ones among these were. The Confederation of Artisans' and Craftmen's Association, Turkish Confederation of Employers Union, Union of chambers of Commerce chambers of Industry and Commodity Exchange and lastly the Turkish Industrialist's and Businessmen's Association. [Now on, we will use the abbreviations of synonyms in Turkish, EZDK, TISK, TOBB and TUSIAD, respectively.]

Artisans' and Craftmen's associations began to be organized and spread around the country since 1946. However, wider associations were authorized in 1965 and in 1978 Confederation of Artisans' and
Craftmen's Associations which include nine occupational federations, 68 province-wide associations and some 400 local associations representing and estimated 50 per cent of Turkey's approximately 3 million Artisans' and Craftmen's was established. Until 1964 membership was not compulsory as it was for a number of other interest groups such as TOBB.

Table 4-1 Interest Group Associations in Turkey, 1940-1970

<table>
<thead>
<tr>
<th>Year</th>
<th>Artisans and Craftmen's Associations</th>
<th>Employers Associations</th>
<th>Agricultural Associations</th>
<th>Professional Associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1946</td>
<td>103</td>
<td>-</td>
<td>2.0</td>
<td>28</td>
</tr>
<tr>
<td>1950</td>
<td>253</td>
<td>-</td>
<td>49</td>
<td>53</td>
</tr>
<tr>
<td>1955</td>
<td>1460</td>
<td>2</td>
<td>146</td>
<td>119</td>
</tr>
<tr>
<td>1960</td>
<td>2745</td>
<td>23</td>
<td>272</td>
<td>189</td>
</tr>
<tr>
<td>1965</td>
<td>3578</td>
<td>106 assns.</td>
<td>570</td>
<td>260</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(1927 member)</td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>ca 4000</td>
<td>120 assns.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(10760 members)</td>
<td></td>
</tr>
<tr>
<td>1975</td>
<td>108 assns.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(89.43 members)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1979</td>
<td>ca 4000</td>
<td></td>
<td></td>
<td>113 assns.</td>
</tr>
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</tbody>
</table>


The relationship between state-artisans' and craftmen's association was characterized by dependency more than genuine bargaining. The year of 1964 was a turning point, because in artisans' and craftmen's associations voluntary membership, was replaced with compulsory
membership. In turn the associations sought government protection against industrial and commercial groups. The overall economic strategy which aimed at rapid industrialization imposed the parameters of the interaction between government and these associations. Among the other business associations Union of Chambers occupied an important place. Gradually, the artisans’ and craftmen’s associations began to have less influence upon policy-making.®

The rising stars of the economy were organized within the framework of different business associations. Increasing importance of TOBB adversely affected artisans’ and craftmen’s associations. As it was suggested by Weiker under law 507 each artisans’ and craftmen’s association was given responsibilities such as supervising the licences of taxi drivers or setting the number of establishments of a particular kind which can operate in a specific town or district. Authority was in the hands of each province association and it was therefore not surprising that artisans and small merchants comprised the largest single group on the city councils of most communities.® The efforts of artisans’ and craftmen’s associations were directed towards obtaining resources from government for small scale production units while general economic trends put them in a disadvantageous situation compared to industrial and commercial groups.®

Justice Party’s strong links with Union of Chambers and its pro-big business economic policies pushed the artisans’ and craftmen’s associations towards establishing close relationship with religious fundamentalists. NSP favored ties with Muslim World, attacked “western
imperialism" and expressed opposition to Turkey's ties with the Common Market which was essentially conceived as a "Jewish /Zionist organization set up by Catholic states."11

As already noted, RPP introduced the notion of "people's sector." So it was aimed at channeling small private savings into enterprises which were to be organized by the people themselves, and stimulating economic development. The idea implicitly referred to a broad alignments among permanent loosers during the deepening of capitalism against the profiting few. In this game artisans' and craftmen's groups were assumed to be loosers.

The successive governments' preferences in economic policy such as keeping to themselves the initiative in the organization of production, increasing efficiency, employment of new technologies and expanding the scale of economy were bound to affect the artisans and craftmen adversely. Thus, artisans and craftmen became means of political manipulation because of the shortage of resources which they commanded.

Another important actor in business-government relations was Turkish Confederation of Employers' Union established with the initiative of the Koç Group.12 Even though the history of TISK dated back to 1960s, its "political relevancy"13 increased in early 1970s. The organizational structure of TISK was different from that of TOBB and TUSIAD. It was an employer union, neither chamber nor an association. It was suggested that while the latter aimed at influencing nationwide macro policy making, the union attempted at strengthening the employers'
amount of sales. Union guaranteed to finance the employers out of this fund during the lockouts.15

Towards the end of the 1970s, TISK became a rival organization to TOBB. It was emphasized that stressing "the private voluntary and specifically industrial character of their organizations. TISK leaders accused TOBB of surviving only by virtue of mandatory membership of dues of stifling industrial enterprise in bureaucratic formalities, and of being politically rather than professionally managed."19

It can be said that the primary goal was that of centralization of business associations in TISK and making other business groups impotent. Fragmentation and diffusion of power in 1973-1980 period were coupled with the absence of strong central institutions either in public or in private. The situation placed great pressure to the governments by increasing the particularistic and contradictory demands without creating any basis for political consensus. Support for centre and for specific governments had been based on a set of clientelistic exchanges.

TOBB’s orientation towards JP20 and RPP's close relations with labour's unions was perceived by the industrialists in TISK as the causes of the erosion of governmental authority. The successive governments could not take the necessary measures to cope with the economic crises. While neglecting the long term interests of economy governments winked at certain groups, as was noted by Halil Kaya, Chairman of TISK between 1970-1974: "...because of the one-sided
social policies of the governments, there emerged a widely shared view among the workers that since the government is on our side we can do whatever we want to do.  

Industrialists who were previously organized in TISK became the core cadre of TUSIAD. They were disapproved by the increased militancy of TISK and JP's patronage links with TOBB. TUSIAD advocated more harmonious class relations. On the other hand, during the 1970s medium size industrial units became members of TOBB and there emerged a conflict with the so-called big business. There also develop rivalry within TISK, too. Capital intensive productive units in contrast to labor intensive ones could better resist to the demands of high wages on the part of trade unions. Thus, their relations with trade unions were smoother as compared to others. Nevertheless, the issues in question strengthened the place of TUSIAD among other associations while deepening the cleavages among business sector. It fostered the fluidity of relations of TISK and TOBB with successive governments.

Turning to TOBB, it has been a nationwide association of the private sector with a semi-official status. All the commercial and industrial employers with ten or more workers had to be the member of the Union. It was based on local chambers in every city. The history of chambers dated back to the nineteenth century. They gained particular significance during the 1950s and 1960s. Up to 1950 industrialists and commercial groups were organized together in chambers but beginning by 1950 industrialists began to organize in different
During the DP governments (1950-1960) the private sector was given the authority to form a peak association and TOBB was established in 1952 (Act 5590 February 6, 1952). In 1958, the Union acquired the right to allocate import quotas among industrial and commercial groups. Also it came to have the right to register importers by issuing certificates to them. The result was corruption and favoritism. Close connections with government and concentration of power in the Union were the sources of Union's power and at the same time its debility vis-à-vis both the government and its member unions.

Following the 1960 military intervention the situation was reversed. As it was pointed out by Öncü: "the idea was that while foreign currency allocations for investment quotas and lists of commodities subject to import restrictions would be decided by relevant ministries in line with the objectives of the developmental plan, the actual task of distributing the limited amount of foreign currency available among individual importers and industrialists would be left to Chambers. Thus the fierce competition would move down from ministerial to chamber level. This is in fact did happen, and the Chambers of Industry, became very powerful in 1960-1970 period." Nevertheless, during 1967-71 period, JP was able to manipulate the Union and controlled the administration of the Union. JP had the opportunity to intervene to the intra-Union cleavages.
Expansion of capitalism caused to a differentiation within private sector and the emergence of multiplicity of interests while the formal-legal structure of TOBB remained unchanged. Access to resources distributed by the Union became possible only through party affiliation. Furthermore, rapid industrialization and new input requirements of industrial sector necessitated a revision of the weight of commercial groups and industrialists in the administration of the Unions. But because of legal constraints it was not possible for the industrialists to change the representational monopoly of the Union. Commercial groups dominated the chambers as the law required weighted voting and designated an upper limit for any single chamber which in turn resulted in Anatolian local units' majority in Chambers. About a decade later Hulki Alisbah observed:

In the elections, industrial and commercial firms which are predominant in their respective sectors have the same number of votes as smaller firms. I am of the opinion, that there must be reasonable criteria for election qualifications, such as a minimum employment requirement or minimum foreign exchange capacity for being elected to authorized committees or to the executive board of the Union of Chambers and Industry.30

Under these constraints it was difficult for the industrialists to obtain foreign currency necessary for purchasing of raw materials.31 In TOBB industrialists were subordinated to commercial groups.
The intensified conflict between industry and commerce and as well as increased inability of TOBB to exert pressure on government vis-à-vis the long term interests of private sector were the general factors for the emergence of TUSIAD in 1971. It was stated by Öncü that "a military takeover (March 12, 1971) aimed at restoring 'law and order' and 'stability' in the country should immediately be accompanied by changes the foreign currency quota allocation system indicates what an important source of power and political patronage is involved."^^

EMERGENCE OF TUSIAD

The Turkish Industrialists' and Businessmen's Association was founded on April 2, 1971 on the initiation of the leading industrialists including Vehbi Koç, Nejat Eccacibası, Selçuk Yaşar, Ertuğrul Soysal and Sakıp Sabancı. In its first decade, the Association was headed by Feyyaz Berker of Tekfen Group of Companies.

On August 2, 1971, a declaration signed by eighty-six leading figures of the sector designated the goals of the Association. It was emphasized that they aimed at serving "Turkey's goals of democratic and planned development and lifting the country to the level of contemporary civilization."^^ They ultimately wished to defend the principles of Atatürk and his laicist conception on the state. It was declared that free enterprise was the pillar of the economic life and guarantee for a democratic system of government. Furthermore, they argued that capital and labor "were complementary elements;"^^ and "for the maintenance of a
mixed economic order it is necessary to provide social justice."

Moreover declaration underlined economy which was considered the means to catch up with the West. "For this purpose we find the attempts which would challenge the unity of the nation dangerous." 

The declaration came to end that

"[the industrialists had] decided to carry out all the duties on their part for the realization of Turkey's goals."

In the by-laws of the Association these principles were clearly specified. According to the Association's by-laws, the Association would be involved in the realization of goals such as increasing national savings and encouraging people towards capital market, giving priority to education, directing the employer-labor collaborations towards the path that would contribute to the development of the country, channeling the investments towards the areas significant for economic growth.

As noted above private enterprises multiplied during 1960s and 1970s but the success of the private business depended on the state protections, cheap credits and tax exemptions or priority in the distribution of scarce resources, particularly foreign currency. State protected the private business from outside competition through certain mechanisms such as tariffs and quotas put on imports. On the
other hand, inputs necessary for the production of private sector were obtained from the state economic enterprises at low prices.

The structuration of the state in the political and economic spheres facilitated the successive governments access to the scarce resources. The governments had the "last word" in the distribution of the resources. For the private enterprise, it became crucial to obtain the resources distributed by the government as for them it was a matter of survival.

Other business associations especially the Chambers, were manipulated by the JP in order to create trusty clients among the business sector. Alignments on party-association nexus were based on strong commitment to the rhetoric of "freedom to private enterprise."

As a reaction to this state of affairs concerns shared by the leading industrialists led to the idea of establishing an association. The transfer of the control over the foreign currency quota system to the ministerial level, made the unions useless for the industrialists.

TUSIAD's distinctiveness lies in the fact that it did not aim at representing a major portion of the private enterprise but rather a section of it, mainly the industrialists. That is the section of the private sector underrepresented in Unions organized themselves in the first voluntary businessmen association, TUSIAD. TUSIAD has been a small association with selective membership.40 The membership provided the association a strong financial base as it housed to big industrialists. Thus, Feyyaz Berker of Tekfen Group was the first

Small and selective membership it was hoped, would guarantee homogeneity of interests within the Association. It meant that the Association could develop comprehensive approaches regarding macroeconomic policies.11

Indeed, TUSIAD aimed at providing a set of proposals to the successive above-party governments which generally emphasized the necessity for policies that would promote capital accumulation. The capital accumulation project of TUSIAD was in conflict with the proposals which TOBB advocated. Also, integration to the Common Market could only be achieved only through harmonious class relations, a view advanced by TUSIAD was in conflict with TISK's provocative attitude towards labor unions.

In the 1971-1978 period TUSIAD supported policies which encouraged labor-capital collaboration. In contrast to other business associations TUSIAD favored "autonomous collective bargaining, expanding welfare state and opening new lines of communication with moderate politicians on the left."42
At a meeting arranged by TUSIAD on March 2, 1974, it was declared that the reorganization of the price system and the attempts of Ecevit government for establishing a "dialogue" with free enterprise emphatically welcomed by the industrialists. TUSIAD also adopted a conciliatory attitude, towards the left-of-center policy of RPP and the latter's close connection with the labor.

The prestige of TUSIAD among business sector increased when the Association convened Free Enterprise Council. The necessity for such a council was expressed by TUSIAD in 1974: "The associations which represent the business world should form a common front for the problems of business environment."

In the council the representatives from different sectors were assumed to be the equal partners apart from the fact that TUSIAD had a special place. From this perspective two interrelated development took place during 1970's.

Thus, it became quite evident that TOBB was not the sole representative agent of the private sector. Then, the reaction of TUSIAD to TOBB's attempts to provide political support to JP implied that TUSIAD wished to protect its "above party" stand and favored of alignments only on certain principles referred to as the "common minimums" such as protection of private property, freedom of private enterprises and the like.
Even though TUSIAD proposed that the private sector should not give support to any political part, there was another group in the Council consisted of TISK and TOBB representatives who asserted that private sector had to back JP. Hani Kartay stated that, "...it would not be easy to defend the free regime. It is now the time to attack." But Ertuğrul Soysal, one of the founders of TUSIAD, said: "I am against attacking. We must make self-criticism. We know the loopholes for tax evasion better than the state. The Western social democratic regime is the way out." Vehbi Koç, one of the leading industrialists in Turkey and the initiator of TUSIAD, pointed out to the minimum condition for those who seek the support of private sector: "This council will not give priority to any party or institution which do not respect basic beliefs of the private enterprise."

While the representatives of different sectors could not agree whether they would or would not support any political party, they agreed on the point that they will all oppose NSP. It was noted that NSP injected statist tendencies to the coalitions formed on the right and had to be prevented from becoming the key party in the coalition governments.

The attitude towards RPP on the part of TUSIAD was not very clear. Some sections of the private sector did not view sympathetically the RPP's entrance to Socialist International and also, because of the speeches of the Chairman of RPP, Bülent Ecevit, in which he declared that artisans, craftsmen and small peasants would not take their place in the Free Enterprise Council because their interest was in conflict with...
those of big capital. However, the speakers at the Council meeting did not severely criticize RPP as there existed the possibility of facing the party at government. Thus, Ali Çarmakli stated [one of the representatives in the council]: "If the party we support is not in power, how will we conduct our relations with the party in power?" Turning to the issue of relations with the government, easy access of government to the resources provided them with the means for coopting new clients and/or in manipulating the already existing clientelistic relations. The erosion of the pre-existing formal relations in an environment of debilitating pluralism, and the absence of institutionalized patterns of interaction between the governments and private sector association including TUSIAD, [read newly emerged voluntary interest group association] put the business in hesitancy on the question of "how to establish and structure its relationship with the government?" The initiative on the decision of whether a dialogue would take place rested with the government. Here, the primary criterion was whether would it be beneficial to the government. From such dialogues the business expected to gain access to resources controlled by the government. In turn governments expected to secure political support.

1977 elections was important both for RPP and TUSIAD. The RPP received 41.4 percent of the votes and became the only political power on the left. Bülent Ecevit, the chairman of RPP; began to follow a new strategy which winked at a "national coalition" government. When
the program of government formed by RPP was submitted to the approval of the Turkish Grand National Assembly, one could observe that the emphasis was on general principles. The details were to be shaped by a national coalition government that was expected to emerge on a consensus on the principles set forth in the program.

The RPP's program aimed at not to provoke any political party or politically relevant interest groups. It emphasized the reconstruction of "public order" and a "balanced foreign exchange policy." The program implied that whoever came to power had to stop street violence, deal the disputes on Cyprus question, and deal solutions to economic crises. In general terms, these were the problems which were conceived as major problems of Turkey by TUSIAD, too. In a TUSIAD report issued at the beginning of 1978 it was stated that, "As we approach the 1980s there existed three major problems in Turkey, political instability, foreign trade balance, and birth control."

Until 1979, TUSIAD did not take a militant stand against social democratic formulas provided that would bring about a harmonious labor-capital relationship. In an interview Vehbi Koç observed:

The economy was in a bad situation when the RPP came to power, for a long time state was not able to pay its debts and violence was still rampant. State economic enterprises were in the red. We had had uncertain relations with Greece, America and the Common Market, especially on the Cyprus question.

66
Koç continued

Among these problems which were all difficult to solve the RPP government handled American embargo skillfully, which was followed by the adoption of a reasonable policy to the Cyprus question. RPP also took effective steps for delaying the foreign debts.53

On the other hand, The Nationalist Front governments initiated by Justice Party had problems with the private sector especially with those who were close to the principles advocated by TUSIAD. The small partners of the coalition governments was the reason for the increasing dissatisfaction of TUSIAD from the Nationalist Front governments. Before the 1977 by-elections, there emerged an implicit consensus among private sector, mainly stimulated by TUSIAD, that a government without NSP would be good for the benefit of the country. Besides the statist arguments advanced by NSP, intervention of Necmettin Erbakan [chairman of the NSP] in the business community through the Unions, provoked the big business. During the previous Nationalist Front governments too, Erbakan had tried to find clients among business sector and to create a circle of businessmen supporting himself. The obstacles that had been thus created to big business in the ministries attached to Erbakan, bolstered the view that the big business would not find an opportunity for communication with the Nationalist Front governments in which Erbakan's party was the key element.54
In the economic sphere, TUSIAD argued that the problems emerged mainly from the shortage of foreign exchange which was outcome of the import substituted policy. Foreign exchange bottleneck had created great difficulties for the industrialists. The situation was aggravated "by the oil shock in 1974 and subsequent world wide recession, concomitant with deteriorating terms of trade and continuation of trade policies geared more towards import substitution than export encouragement, including an exchange rate regime that discouraged inflows of capital and worker’s remittances. Thus, the GNP growth rate fell to 2.4 in 1978 and declined further to -0.9 percent in 1979 and -0.8 percent in 1980. Moreover the rate of inflation reach to 70 percent in 1979 and above 100 percent in 1980."^

The fragmentation of the party system and instability of parliamentary majorities added to the problem. In the event TUSIAD sought a new government and a new economic policy. As stated by Koç:

Economy was in shambles because of the lack of foreign exchange industry could not work with full capacity. Beginning by 1973 and onwards RPP and JP coalitions whether in power or in opposition did not think of the interests of the country. Professional associations were involved in partisan politics. The party in power did not support those associations which did not depend upon them...
The campaign of TUSIAD against the social democratic governments began by a series of paid advertisements in major newspapers. The policy of Ecevit government that is, the employment of non-market methods elicited reaction from TUSIAD. The RPP policy led to the emergence of black market to which the industrialists could not easily adopted. Besides, it seemed that the social democratic government had lost its control over the increasing labor union militancy. The political crisis Turkey faced, politicized the Association by taking it at the heart of the discussions on "regime problems." TUSIAD asserted that the RPP government's policies aimed at could do away with the democratic system of government.

TUSIAD proposed an alternative policy package which would also guarantee the pillars of the regime. The program advocated by TUSIAD aimed at encouraging private enterprise, eliminating undue government intervention, liberalizing the economy increasing efficiency of the state economic enterprises, and carrying out a tax reform.

The mission of the Association was stated as follows:

We, as members of private sector, declare that the main force that will improve our welfare under a system of liberal democracy is free enterprise; free enterprise that has always prompted the individual to work harder and more productively. The developed nations of our age reached prosperity under conditions of freedom only through this path. There is no alternative path.
TUSIAD's social democratic government confrontation was important for two reasons. Firstly TUSIAD acquired prestige and legitimacy vis-à-vis other business associations. From 1979 onwards it was seen as an association that toppled governments. Secondly TUSIAD’s preoccupation had shifted from the sphere of economic policy to the deterioration of the polity in the direction of debilitating pluralism.

TUSIAD's reaction to social democratic government was due to the changing style of Ecevit. Ecevit attempted to change the earlier mission of RPP as the "protector of the Papa State." Also, measures taken by the government such as nationalization of certain mines were conceived by TUSIAD as the reimposition of etatism.

During 1979 Turkey began to adopt IMF policies. The prices of the products of State Economic Enterprises were increased so as to decrease the burden on the treasury. The most important development was the 1978 devaluation. The social democrat government promised to IMF that it would not use the resources of the Central Bank inefficiently. The wages and salaries would not be increased. Even though social democrats rejected to strictly adopt the policies advocated by IMF, they now agreed to implement those policies which would secure fresh exchange sources for the stabilization of the economy.

On the other hand, these policies led to the breakdown of RPP’s alignment with labor unions. In 1976, Ecevit had declared that RPP would adopt a new policy which would be based on Scandinavian social
democratic movement's policies. Thus, it would have been suit with professional associations; they would be participated in and share the use of state power. New strategy of RPP had aimed at reshaping the labor movement which was fragmented and politicized. RPP's ultimate goal was to unite the workers under the RPP umbrella.

For a while, labor - RPP alliance seemed to work. But then in 1978 Ecevit as Prime Minister resorted austerity measures, which were formally announced in the Fourth Five-Year Plan (1978-1982). It was pointed out that deepening financial crises of Turkey necessitated foreign credit. Parallel to IMF advices, Ecevit tried to hold down the labor costs for controlling the inflation. It was this attempt which broke labor-party alliance. As an opposition leader Ecevit had taken serious steps in uniting the fragmented labors sector, but when he became to prime ministry in 1977 the old coalition collapsed.

From the point of TUSIAD, the breakdown of this coalition necessitated a fresh look at the problems the regime faced. Following the dissolution of the labor-government alignment Feyyaz Berker (chairman of TUSIAD) stated:

The trio of employees employers, and the state must cope with problems. We, as employers and employees must bring the price and wage increases under control and stop the inflation.
As far as TUSIAD was concerned, this was what the economy needed. Sakıp Sabancı, the leading industrialist of Turkey talked along the same lines:

There cannot be development in a country if "vote policies" became superior to economic policies. During the 1973-1979 period, big parties of the country could not arrive at a consensus on the vital issues but instead gave priority to the "vote policies."  

TUSIAD advocated a National Coalition government of RPP and JP. So, the timing of the paid advertisements of TUSIAD was well-calculated. By issuing the advertisements towards the end of the negotiations between the government and IMF, TUSIAD sought to make an impact and aimed at weakening bargaining power of the RPP government vis-à-vis IMF. Ecevit himself admitted the influence of the campaign and later said that "it was not the IMF or USA that undermined us but our own business circles."  

By this time, free enterprise coalition which was previously tried to be held together under the patronage of the JP was also broken down. Thus, TUSIAD attempted to inject new principles into politics which aimed at preventing the "erosion of the state power." Ali Koçman (chairman of TUSIAD between 1980-82) complained that

When we get into trouble or are faced with unfair treatment we often ask as "where is the state?" But if we have the
opportunity we, too, treat other unfairly. A wild search for "truth" is going on in the daily life. Opposing to what the state does becomes freedom... The dynamites used for knocking down the ones who are dominant in politics are in fact, placed at the roots of the state itself. The state is taken as a political party; everybody is against it... State is the only absolute power that can unite and direct. Before, everything else, what is required is the STATIZATION OF THE STATE Millions of states in the STATE (emphasis is mine) suppose that their own, flags and economic power are sufficient for self-subsistence... While all these happen there emerged a new class in Turkey which is reasonable, works rationally and productively and is able to leap towards the stages of efficient industrialization and can understand social development in more practical terms than the ones who are adversely affected by that development. The untiring warriors of the private sector who create miracles constitute this class. Turkish private sector must get under heavy responsibilities for the rearrangement of the above mentioned picture. It must consider it its duty to restore or even reconstruct the state. We will be politicians if service through politics is unavoidable. At least, concerning the key functions, that is, encouraging commodity production and providing services, we should be on duty and, if necessary, be an officer [of the state].68
The new mission TUSIAD set for itself was that of preventing the erosion of state's authority in Koçman's words "statization of the state." As the polity had become more politicized, the criteria for access to scarce resources were more blurred at the hands of different party governments and particularly weak coalitions, economic decision-making had been completely politicized.

Thus, channels through which TUSIAD interact with the government could be no more than informal, one-to-one relationships of the members of the TUSIAD rather than Association itself with the government. This provides a flexibility to the Association in its dealing with successive governments. But the individual members as members could more easily be manipulated by the governments.

Following the fall of Ecevit government after the 1979 by-elections, JP took the office. The new JP government began to implement a new set of measures known as the January 24 (1980) Decisions. It was a stabilization program which aimed at structural adjustments in the Turkish economy. TUSIAD supported the new policy package. As Vehbi Koç observed:

These decisions are correct in principle and results would be obtained. But the industry and economy in our country have a dynamism of its own. Interfering with that dynamism may hinder developments, if not today, may be tomorrow... So January 24 decisions has to be implemented by making certain adjustments which will better adopt them to our economy.
Returning to the basic query of this study, during the period under consideration through which mechanisms the demands of TUSIAD were transmitted to the economic decision-making centers. As noted above from 1973 onward a new type of bureaucrat had emerged in Turkish civil service who gave his expertise to a certain party or rhetoric. These newly emerged technocrats were the pillars of the interaction between government and the Association.

From this perspective the career of Turgut Özal is a typical example. Özal was the undersecretary of State Planning Organization during Demirel government (November 12, 1979 – September 12, 1980) and served as vice-minister for about two years under Ulusu government established soon after September 12, 1980 military intervention. Then he found Motherland Party and became prime minister in 1983 where he stayed at office till 1989 when he was elected as the President of the Republic.

In his life career Özal developed close relations with business community, he was also a TUSIAD member. But Özal gained predominance among business sector as the general coordinator of the Sabancı Group. He became the chairman of the Employer's Association of Metal Works Industry which was known by its tough and militant stand against labor unions. By the end of 1970s, as a member of TUSIAD, he was able to shape the TUSIAD's policies, and, when he was appointed to the undersecretary of state in charge of economic affairs in late 1979, he became virtually the sole architect of the 1980 stabilization program.
When the 1980 military takeover took place Vehbi Koç recommended Özal to General Kenan Evren, the head of the Junta, and asked him "not to change Özal."  

During the end of the fragmentation of the earlier formal relations and the emergence of a new type of bureaucrat in the politicized political environment provided TUSIAD the chance to have a relatively easy access to resources particularly when compared to the permanent losers of the game namely the artisans and craftsmen. On the other hand, politization of the polity in a centre-dominant system meant that favoritism, uncertainty and unpredictability would become widespread issues about which members of TUSIAD always complained.

In 1970-1980 period, the polity was characterized by increased polarization and politization. During of 1971-1977 period TUSIAD was in competition with other business associations. This period came to the end by 1977 with the Free Enterprise Council. From 1977 onwards TUSIAD acted as a peak association among the business community but only as the representative of the big business which became the dynamic sector of the Turkish economy under the parameters introduced by new economic policies. These developments signified drastic changes within business community which was formerly represented by semi-official unions. The answer to the question of "who would say the last word in the name of Turkish private enterprise during the following decade?" was now quite evident: it was going to be TUSIAD.
NOTES and REFERENCES


3) Ibid.


5) Weiker, The Modernization of Turkey, p. 93.

6) Ibid.

7) Bianchi, Interest Groups and Political Development in Turkey, p. 248.

8) Yeni Ortam May 21, 1973. Since the goal of industrial sector was integration to Common Market, it can be said that there existed a conflict with artisans' and craftsmen's from the beginning. On the other "protectionism" was a polity favored by the both parties.

9) Weiker, The Modernization of Turkey, p. 94.

10) Ibid.


13) Politically relevant group is conceptualized as those who do not control central government authority such as ministeries and Prime Ministry but those activity may be important for the operation of the political system. See Eldon Lanning "A Typology of Latin American Political Systems," *Comparative Politics* 6(April 1974), p. 372.


15) Ibid., p. 160.


17) Ibid.


20) Yankı, April 22-28, 1974.

21) Yankı, April 15-21, 1974.


26) Ibid., p. 467.


28) Ibid.


30) Hulki Alisbah "Sanayide Kurumlaşma" II. İktisat Kongresi Tebliğleri, (Ankara: Devlet Planlama Teşkilatı Yayınları, 1981). Even though the speech was made in 1981, it pointed out to an important problem. Sakıp Sabancı, a prominent industrialist, elected to the Executive Board of TOBB only once within 30 years by a court decision, in the same way Vehbi Koç elected only twice. Mustafa Sönmez, Kirk Haramiler, p. 157.

31) Ibid., p. 155.


33) Yankı, August 2-8 1971.

34) Ibid.

35) Ibid.

36) Ibid.
37) Ibid.
38) Ibid.
39) See article 3, By-laws, TUSIAD, (Istanbul: TUSIAD Publications, 1984.)
40) Ibid. article 5.
41) Yeşim Arat, "Politics and Big Business," typescript.
42) Bianchi, Interest Groups and Political Development in Turkey, p. 269.
43) Yankı, April 8-14, 1974.
46) Ibid.
47) Ibid.
48) Ibid.
49) Ibid.
51) Ibid.
52) Yankı, December 11-17, 1978.
53) Ibid.
54) Yankı, July 4-10, 1977.
56) Ozbudun, Perspectives on Democracy in Turkey, pp. 43-44.


59) Yankı, June 4-10, 1979.


64) Yankı, January 19, 1976, and January 26, 1976.

65) Yankı, January 4-10, 1979.


70) see, Heper "Ekonomik ve Sosyal Gelişme Sürecinde Bürokrasi: Bir Tipoloji ve Bazı Düşünceler."

Chapter Five
TURKISH INDUSTRIALISTS' AND BUSINESSMEN ASSOCIATION IN THE 1980s

TOWARDS A NEW POLITY

The military in Turkey intervened in politics three times, (1960-1961, 1971 and 1980-1983) which led to important changes in the structuration of the state-interest group relations. Throughout 1960-1980 period, new groups emerged and attempted at shaping the state-interest group interface. It was noted by Heper that the military interventions in Turkey did cause neither authoritarian regimes as happened in Latin America nor create regimes structured on certain class formations. Military aimed at restructuration of democracy so as to remove those factors which contributed to the emergence of debilitating democracy. (1) The state, however, continued to have a salient role, which among other things, had an impact on interest group activity.

The 1961 constitution structured the state in civil bureaucracy. The latter constitution strengthened the executive. The latter constitution granted new powers to the President of the Republic, and through National Security Council, the military became the "co-loci of the state." It has been suggested that "neither of them expected to exercise tutelle powers over 'politics' in terms of an official ideology: their jurisdiction was restricted to that of safeguarding the territorial integrity.2
The distinctiveness of post 1980 period lied on the fact that "the state" and "politics" were now two distinct spheres with a "compromise between state and political elites." It can be suggested that "compromise" that emerged in the post-1980 period resulted in the elimination of uncertainties in politics which were generated by continuously changing political dynamics of praetorian politics of the 1970s.

As noted above, the 1982 Constitution strengthened the executive. It also granted new powers to the Prime Minister. The relations of the Prime Minister with his ministers took new forms; the ministers were now responsible not only to the Parliament but also to the Prime Minister. It was argued by Heper that "the framers the constitution considered bringing the state back in indispensable." The new Constitution with its emphasis on the revival and restructuration of the state around new norms, emerged as a reaction to the events of the previous decade. The Constitution, among other things, brought some restrictions to the structuration of interest groups. Interest group associations were faced with certain limitations and at times even banned. On the other hand, TUSIAD's activities were permitted by decree issued by the Council of Ministers, which classified TUSIAD among the associations promoting the "public interest."
The control of the state over the associations was bolstered firstly by increased control on membership selection. Secondly, the associations were barred from establishing linkages with the political parties. Thirdly, a related measure, the associations could not be engage in politics. They could act as an "interest group" but not as a "pressure group."7

The post-1980 period was characterized not only by the "revival of the state” but also by "the debureaucratization of the government." The decade was characterized by the emergence of a personalistic and particularistic form of relationship between government and TUSIAD.

After the 1980 military coup, first elections were held at 1983. The Motherland Party, advocated economic policies with emphasis on the regulatory role of the market forces came to power. At first sight the policies enunciated by the party seemed to provide news opportunities for business sector. The program of the party aimed at placing emphasis on the market forces and weakening the role of traditional bureaucratic elements in the public policy making.9

A liberalization program of foreign exchange regime was accompanied by a discourse which signified the end of the "mixed economy" rhetoric that had been earlier defended by the pre-1980 political and bureaucratic elites and still found its proponents within the ranks of the parties in the opposition. The new approach allowed for a minimum amount of government involvement in economy, through subsidies, cheap credits, tax incentives and the like. The MP governments encouraged of
partnerships between firms in Turkey and abroad.

The result was the anti-étatist policies which aimed to reducing the state's role in productive activities. Export-oriented growth became not only a means for the realization of certain policy goals but a goal in itself.

It must not be forgotten, however, that the most radical measures were carried out during the interregnum of 1980-1983. Reducing the demands of the politically relevant groups became part and parcel of the stabilization program implemented by the military's government as a solution to the economic and political crises of the late 1970s. According to Nordlinger, the 1980 coup was a "ruler type." In this type of military takeovers military does not seek to maintain the status quo but wishes to impose changes in the economic, political and social spheres:

They invariably attempt the root-and-branch destruction of monarchies, traditional oligarchies, and political parties... Praetorian rulers...commonly...believe that high powered investment and modernization programs are required to bring about steady economic growth...Repression is generally more extensive...Politics, economy and society are to be penetrated from above.10
Political restructuration was complete before Özal government came to power. Consequently, economic restructuration rather than political one became the main axis of the policies adopted during the MP rule. Beginning of the privatization of state economic enterprises and the creation of new bureaucratic agencies, where people from outside were appointed, were some of the attempts to decrease the role of traditional bureaucratic cadres. In the process, political executive came to occupy a more prominent place in the polity.11

Economic measures adopted by the MP governments for the liberalization of the economy was resulted in the "concentration of economic and political power."12 Policy-makers of the decade took economic growth and development as a problem of increasing exports. Governments encouraged the establishment of foreign trade companies and supported those which operated in the key sectors of the economy which could contribute to the export capacity of the country. The government continued to have the initiative as it controlled credits the exporters and industrialists were in need of. The government's policies were extremely important especially for those firms which were now also engaged in exporting since it was a matter of survival for them.13

Moreover, as indicated by Önis public investments still surpassed those made by the private sector. Through the financial system public sector continued to control the capital market.14
It could be expected that the political elites commitment to Western oriented, anti-étatist, anti-protectionist and pro-market approaches would correspond with the businessmen's concerns who operate in the dynamic sectors of the economy. To a certain degree, it did correspond but, as indicated by Heper "central elites continued to give short shrift to the social groups." It was argued that most of the channels to government were even more blocked than before "because one now they came across in government 'the autonomization of an executive inner circle' made up of the prime minister and a few technocrats around him."

The division of labor between state and political elites was accurately reflected in the area of public policy making. Political elites had responsibility for handling economic matters whereas the state elites primary function was to safeguard the security and independence of the country and, the indivisibility and integrity of the nation. The political elites dominated the former governmental sphere. Here, neither the state elites nor civil societal elements had an impact.

The public bureaucracy became subordinated to the governing party. Contract method was introduced which made the posts in the public bureaucracy less secure. As already noted, important transformations were effected the public bureaucracy. New units were established which acted as emanations of the government. Certain critical functions were transferred to these newly-created units. For example, to the Undersecretary for Treasury and Foreign Trade were transferred some
functions which were earlier performed by the Ministry of Finance. New cadres of officials emerged who headed critical agencies such as state banks, the Central Bank, the State Planning Organization and some of the state economic enterprises and who were directly responsible to the Prime Minister, Özal, himself.\textsuperscript{17}

The effects of these developments upon government-interest group association interaction was a domination-subordination relationship. As it was noted by Heper "there was hardly pluralistic or institutionalized [neo-corporatist] give and take between the weighty social groups and the government. The relationship that existed was of a clientelistic type but as it was of a parentala variety and therefore no consultation let alone bargaining took place between the government and the "interests", the former often dictated its wishes to the latter."\textsuperscript{15}

THE ROLE INTEREST GROUPS SHOULD PLAY: TUSIAD'S VIEWS

Within this context, the answer to the question of "whether Turkish polity was now moving towards a political system in which there would be greater participation in politics on the part of civil societal elements?" gains vital importance. Second question would be about the limits of TUSIAD's access to and influence upon government.

TUSIAD came to have increasing political relevancy by the late 1970s. Due to the reasons discussed in the previous chapter, its relevancy was bound to be high in post-1983 period, too.
However, as already noted, during the 1980s the economic policy-making was monopolized by the political elites. Then if it was deemed necessary meetings were arranged for the announcement of the decisions taken by the "inner circle." It was suggested that even when government and TUSIAD met it was an opportunity for the governmental elites to communicate their directives to the members of TUSIAD.\(^{19}\)

It can be said that the lack of an overall strategy and therefore presence of a great degree of uncertainty resulted in further deinstitutionalization of the relations between the government and TUSIAD. Uninstitutionalized patterns of relations provided several advantages to the government. There was "flexibility" in the formulation and implementation of the policies. The fragmentation of private sector and its representation by several associations with different types legal status and orientations enabled governments to manipulate the situation.

It can be said that the flexibility in the formulation and implementation of policy obliged TUSIAD to keep close ties with the relevant "centre" where the decisions were made. Necessity of keeping close ties "integrated" TUSIAD to the system which was an unforeseen consequence of the uninstitutionalized patterns of relationship. A similar point was elaborated by Philippe Schmitter in his analysis of Brazilian politics.\(^{20}\) The business groups were subordinate to the state through availability or absence of financial resources. Sahap Kocatopçu, one of the members of TUSIAD and one time its chairman observed,
If we wish the dialogue with the government to continue, TUSIAD should take up the problems to government instead of discussing them in the open. In other words, it should know to keep its mouth shut. Instead of letting the media know its views, TUSIAD should take them to the government, if necessary fight for them and when agreement on a certain view is reached, it should be announced as the government's view. Many persons in TUSIAD, who are in fierce competition with each other in many fields of business, have agreed on a common denominator. The points that are agreed upon are: (1) Defending democracy; (2) Staying outside the orbit of a political party; (3) giving priority to country's long term interests.21

In the introductory part of a book published by TUSIAD the following point was made:

Formally recognized as an 'Association of National Interest,' TUSIAD plays important role in the presentation of private enterprises views and in its recommendations to the public at large and to government and all those others with economic policy and Turkey's economic well being.22

Defending the long term "national interest" and "free market economy" are two important themes which are important for and distinguishes it from other business associations.
Let us reiterate: the post-1980 period was characterized by its expansionist economic goals with emphasis on the encouragement of private enterprise. TUSIAD members mostly operated in most dynamic sector of the economy.\textsuperscript{23}

TUSIAD members, however, continued to complain about the uncertainties they faced: "...free enterprise can not make healthy projections because it does not know the exact amount of taxes it will have to pay."\textsuperscript{24} They argued that "besides the politicians and bureaucrats, creative ideas and practices in the industry would come from by those in the private sector."\textsuperscript{25}

They thus pressed for dialogue with the government: "A transparent market economy based on dialogue with the government is not a dream or utopia. Administrators who thought for a long time that 'Papa State knows everything', must not conceive the consultations with private sector as a weakness on their part."\textsuperscript{26}

TUSIAD longed for influencing the policy making process during its formulation phase. For the sake of establishing institutionalized and formal relations with government, TUSIAD offered to establish certain advisory committees in which public and private sector could collaborate.\textsuperscript{27} TUSIAD justified such a dialogue in terms of its positive effect in "decreasing tension" and "egoism of the groups."\textsuperscript{28} Such a demand had also been transmitted to the authorized agents who were responsible for the preparation of the 1982 Constitution. In 1982, Ali Koçman, the then chairman of TUSIAD said that "in advanced
industrialized countries governments institutionalized consultations with civil societal elements. We hope that our government too, soon develops such mechanisms."

In terms of realization such a system the establishment of a "High Economic Consultative Council" was proposed, the Council would have members from private and public sectors as well as the academe.

We propose the establishment of a High Economic Consultative Council which would have as its members people from the private and public sectors as well as the universities, would meet periodically and which would be used by governments as a sounding board.

It was evident that TUSIAD was wary of the confusion in the interest groups-government interface. They make the contact with the government to be come out by an association representing the whole private sector rather than by sectoral associations or by the firms themselves:

Instead of contacts with government by individuals, firms or sectorial associations it would be better to have access to the government by an association representing the whole private sector. Such an arrangement would be far more beneficial to everyone concerned and everyone would soon realize it.
Unstructured and unroutinized relations with ministries and other governmental agencies have been the basic features of the relationship between government and TUSIAD. Even though TUSIAD had an easy access to government agencies through its close connections with the "inner circle" the nature of the relationship in the last analysis was personalistic and particularistic and could break down at any moment.

As noted above, Turgut Özal, the Prime Minister of the time was a member of TUSIAD and sixteen of the cabinet ministers appointed in 1983 had earlier worked in the private sector. Thus, TUSIAD was able to establish, in Scott's terminology "personal and diffuse linkages" with the government.

TUSIAD insisted on formal, institutionalized relations with the government. TUSIAD argued, it would among other things, provide an opportunity to furnish government on some critical matters not unlike the situation in Japan and West Germany. Thus, it was pointed out that membership to Union of Industry Employers Confederation (UNICE) would enable TUSIAD to collect valuable information about European economy and politics and the Association would contribute, among other things, to the acceleration of Turkey's integration to the European Community.

TUSIAD would also act in UNICE with government when a decision is to be made concerning the Community affairs. It is important to note that membership to UNICE became a matter of competition between TOBB, TISK and TUSIAD. UNICE could not decide on the matter and took the
matter to its executive council. Where TUSIAD was selected as member. It was announced by TUSIAD that UNICE recognized TUSIAD as the peak association among business community and underlined its central place among other business organizations.36

So, TUSIAD had tried hard to have a word in policy formulation process on certain topics such as the strategies which will be adopted for the integration of Turkish industry to the European one and on general economic policies. On the other hand, TUSIAD has not sought to have responsibilities for the implementation of the public policies even those assumed to be in the direct area of interest of the Association. For TUSIAD, a consensus among the public and private sectors about the policies to implementation was crucial: "It is necessary to have consensus on the economic problems facing Turkey, policies to tackle them and on the implementation of those policies."37

TUSIAD also wished collaboration between the public and private sectors, clarity concerning the rules and, transparency and predictability in policies:

As is the case in many developed countries including Japan in those areas characterized by serious economic problems issues should be debated and solutions sought in committees or forums made up of public and private sector representatives. Entrepreneurs cannot be successful unless they know the principles governing economic policies and business life. Just as the economy is opened up to outside there should be
transparency in governmental operations too. It would be far better to consult relevant public sector associations, mass media and the universities before making laws, degree laws, and regulations than frequently changing them once they are put into effect. It is the most natural rights of businessmen to have an idea of the economic strategies that will be pursued in the years to come. A market economy that is transparent and paralleled by a dialogue between government and private sector will help to realize Turkey's aim to open the economy outside.38

TUSIAD again and again demanded that uncertainty if not arbitrariness surrounding economy should be eliminated. Thus, Bülent Eczacıbaşı (presently member of the Administrative Council of TUSIAD) stated:

Suggestions made by Yusuf Özal, State Minister responsible for economy, was a flicker to hope for the industrialists. Özal was going to hold monthly meetings with the heads of TUSIAD and other business associations. Ömer Dinçkök, head of TUSIAD, among the spokesmen of private sector groups had a leading role in trying to establish such a dialogue. Although such meeting provided an opportunity for both sides to listen to the other no lasting solutions for the basic problems of the industry could be formulated at those meeting.39
TUSIAD has seen the existing patterns of the dialogue as one each side talks over the head of the other. TUSIAD wished to replace it a genuine dialogue based on exchange of knowledge on crucial issues. In a state-dominated polity TUSIAD has been able to transmit its demands to the government but could not in general have an effective role in economic decision-making. It is now in order to look at TUSIAD-government relations more closely.

TUSIAD-GOVERNMENT INTERFACE

It can be said that the nature and characteristics of TUSIAD-government relation to a large extend depended on the changes in the substance and form of the national policy making. TUSIAD itself conceived a broad area of public policy making as appropriate for its involvement.

As noted above, during 1980s, economic policy making was to be characterized by strict commitment to the self-regulatory capacity of the market forces. The expected consequence of such a shift would be the growing autonomy of the market place. But in the changing political environment of the post-1983 period the market forces did not have adequate resources for limiting state patronage. And, after the MP came to power in 1983, the traditional bureaucracy's and the state elites' influence in polity was drastically reduced. The Parliaments of 1983 and 1987 were dominated by the government party. The two Parliaments enabled the governing political elites to control
economy through the decree laws. Thus, governments had had the opportunity to dominate the private sector and prevent them to use their resources for sabotaging the economic policy of the government.

The members of TÜSİAD association operated in an economic sphere where government intervention was less visible in comparison to other spheres the actors of which were represented by other business associations. The association tried to keep its autonomy by distancing itself from the governing party and has for along time engaged in "above party rhetoric." Cem Boyner, chairman of TÜSİAD, stated: "I do not find it realistic on the side of businessmen to express and defend their political views in a country like Turkey where state and government have enormous power." 46

As already noted, TÜSİAD became one of the most prestigious businessmen associations in the decade following the 1980 military coup. In 1985, within the top one hundred industrial firms the share of TÜSİAD members in production and employment reached 80 percent. The share of the private sector in the value added of manufacturing is around 70 percent and TÜSİAD members share in production and employment of private manufacturing industry is about 50 percent. The Association represents about one thousand companies. And these companies represent a significant portion of private sector as most of the members operate in banking as well insurance, construction and service sectors. 47
The relations of TUSIAD with MP governments followed a path different from those of other compulsory business associations which traditionally have had linkages with other parties on the right. TUSIAD, by its strong commitment to reforms in foreign trade, taxation and foreign exchange system became a one of the ardent advocate of the MP program. But the distinctiveness of TUSIAD's support to the MP's program lies in the fact that the Association evaluated the policies adopted in terms of overall economic necessities and the long-term interests of the community.

The effects of the economic policies pursued by MP governments were reflected in the deepening cleavage between industrialists and exporters. In the overall development of the economy in the post-1980 period, credits and subsidies became the means for manipulating the exporters.

For a long time these resources were controlled by the traditional bureaucratic elites for the sake of defending the interests of the state. However, as noted above the post-1980 developments changed the overall authority structure in government. What happened was the automation of an inner circle and the debureaucratization of the government took place. The anti-bureaucratic attitudes of the MP was well-comed by TUSIAD. The bureaucracy's traditional role in allocating the resources was replaced by the governmental elites, initiative mainly the that of Prime Minister himself.
By early 1980s TUSIAD was advocating policies which would provide cheap credits and bringing to the governments attention member companies which had to adapt to the new rules of the game imposed by the new economic stabilization program.\textsuperscript{43}

Since the late 1970s growth rates had continuously increased. But on the other hand, the volume of public investments had also increased and the public had been investing for more than the private sector. The relative share of private sector in the total fixed capital investment decreased to 42.9 percent in 1985 from 45 percent in 1984 remained at the level of 42.9 percent in 1986.\textsuperscript{44} The imbalance had effects on government - business relation because of the variety of means which government could employ in their relations with the business community. Public investments strengthened the hand of the government vis-à-vis business. It had been noted that MP government invested in infrastructure and communication both at the state level as well as through the municipalities. Special off-budget funds with a net income of half of the consolidated state budget helped MP government to increase its discretionary spending of the public funds for politically advantageous purpose to maintain its center-right coalition.\textsuperscript{45}

Export-oriented growth model of the post-1983 governments provided new power to the governments under the "liberalization program." Export incentives and tax rebates provided to the governments new means over the exporters' incentives. The 1984 "Export Promotion Decree" lodged the responsibility for to providing those incentives to the prime minister's office.\textsuperscript{46}
On the other hand industrialists organized in TUSIAD, sought cheaper credits and lower interest rates. Central bank credits gained importance which provided the MP with enormous discretion and opportunity for patronage. A report prepared for TUSIAD argued:

it is true that in market economies the central banks do not have passive roles. They are in fact obliged to monitor economic trends both in their own country and abroad, and determine the most appropriate medium and long-term monetary policies. In order to perform these functions, however, central banks should have their autonomy from the government.47

TUSIAD proposed a new status for the Central Bank so that the private sector would not be subject to politically motivated government interventions. It is obvious that TUSIAD was pleased of the privileged access to government but was unhappy about the unpredictability stemming from the way the economy was run. The same report continued:

Furthermore, monetary targets the Central Bank has mind should be disclosed in the beginning of every year ad should not be revise unless there is an absolute necessary. This is absolutely necessary for the private sector to effect sound investment planning.48

From 1985 onwards TUSIAD became more critical of the government policies as came to have a critical place in the overall economic strategy of the government, but at the same time TUSIAD did not
disagree with the general parameters of the government's economic policy. It was because of the very characteristics of the relations between TUSIAD and government which prevented TUSIAD openly so critical.

In a political and economic environment where political power is critical for the destruction or success of the firms, the only possible way for TUSIAD, with deepening cleavage among exports and industrialists, seemed that of remaining loyal to the government. For this reason, personalized relations with government became extremely critical, it was a matter of survival.

Despite the cleavages that arose among the member companies, on sectoral basis, the measures taken by the government was referred by TUSIAD as the "necessary measures for the welfare of the country." 49

As Koçman, chairman of TUSIAD in 1984, said:

Different preferences of various sectors will continue give birth to the debates. But we all know and accept the necessity of placing emphasis on exports. 50

Koçman added,

If the model takes businessmen as the creative force then there should not be differences of opinion between the proponents of the model and businessmen. It is for this reason that a dialogue between the two is more critical than ever,
we earnestly hope that the government too would think along the same lines.\textsuperscript{51}

There were also complaints about government's "divide and rule" strategy. Istanbul Chamber of Industry stated:

...Who is the boss of export incentives? There is a committee in the State Planning Organization and there is the Undersecretary for Treasury and Foreign Trade. It is being said that a new office at the undersecretariat level will be formed. There is an indeterminacy. Ankara is trying to divide and rule. That can not be. That was late İnönü's policy-divide and rule. We must be careful against this, and stick together.\textsuperscript{52}

"Collaboration" with government has been the favorite strategy among business as it provided economic advantages compared to criticising government's policies. In a study made by TUSIAD which covered selected among 6347 members of the Istanbul Chambers of Industry (sample represents a major portion of private sector in Turkey) it was found that some sort of governmental action was conceived necessary for the solution of the problems faced by the private sector.\textsuperscript{53}

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4) Ibid., p. 307.

5) Ibid.

6) Şemay, Kırk Haramiler, p. 152.


11) Heper, "The State and Debureaucratization: The Turkish Case," typescript.


14) see Önis, "Evolution of Privatization in Turkey: The Institutional Context of Public Enterprises Reform."


17) Ibid.


19) Ibid.


22) TUSIAD Member's Company Profiles': A Brief Who's Who of Leading Turkish Companies, (Istanbul: TUSIAD Publications, 1984)

23) Ibid.


27) Ibid.
29) Ibid. p.2.
30) Ibid. p.3.
31) Ibid.
32) Scott, "Patron Client Politics and Political Change in Southeast Asia."
35) Ibid.
38) Görüş, 17 (January 1989).
39) Ibid.
40) Hürriyet, June 24, 1990.
41) "TUSIAD member's Company profiles," (Istanbul: TUSIAD Publications). Also Yeşim Arat "Politics and Big Business", typescript.
43) Görüş, 13 (March 1985), 14 (February 1986) and 8 (August 1987).
45) Ibid.
48) Ibid.
49) Ibid.


51) Ibid.


CHAPTER SIX
CONCLUSION

The present essay aims of providing a set of arguments on the exchange relationship between the central governmental authorities and a politically relevant group, namely TUSIAD. In this exchange relationship there may be different patterns each corresponding to distinct forms of the government-group structurations (1) "The government may dominate or control the 'politically relevant group'" (2) "The government may be under the domination of 'a politically relevant group'" (3) government and politically relevant group "may be relatively equal in power: each capable of maintaining a sphere of independent activity (4) government may be autonomous from politically relevant group but associations may effectively influence the relevant public policies."

It has been suggested that the last three categories of government-group relations had stemmed from the experience of Western European political systems and refer to "state corporatism, neo-corporatism (societal corporatism) and pluralism respectively." The first category has been suggested as the one which fits best the Ottoman-Turkish polity. The distinctiveness of the latter polity lies in the fact that there emerged an autonomous government having tenuous relations with interest groups in the absence of corporate and autonomous and intermediary social structures.
The relationship between successive governments and TUSIAD has gone through forms different from those of other business associations because of the economic and political changes that Turkey experienced during the respective periods. On the other hand, the nature of issues in which TUSIAD was involved in, effected the "tone" of the dialogue and drew limit of TUSIAD's influence on public policy. The power of the government before the industrialist, who organized themselves in TUSIAD in 1971 originated from the role the state played in the management of the economy. Government tried to maintain its control over business associations through certain means, which led some of the students of Turkish politics to analyse the above mentioned relationship in terms of two models of interest group politics - corporatism and pluralism. Thus, Bianchi arrived to the conclusion that pluralist and corporatist forms of interest representation coexisted in modern Turkey. Moreover, Bianchi asserted that there exists a tendency of the consolidation of the latter.

Above, it was noted that corporatism is a pattern of policy-making through institutionalized contacts between government and business and/or labor organizations. The relative status of the participants in decision-making are determined by "law." In corporatism, policy is made through collaboration between the state and groups, in the pluralist version such formal institutionalized contacts are absent.
The formal-legal design of TOBB seemed to justify one to designate the relationship between the state and groups as corporatism. But the uncertainty generated by the continuously, changing political environment, a reflection of praetorian polity of the 1970s, casts doubt on the validity of that conclusion. Fragmentation of the party system made the system less corporatist, if it was a corporatist one in the first place. As it was suggested "the nature and autonomy of the state in Turkey also means that the cost of being out of power are extremely high. Because of high degree of governmental centralization and large role of the Turkish state in the economy, those in government have access, directly or indirectly to an immense amount of resources in relation to the resource base of society, which they can distribute."7

The decade of the 1970s was characterized by the increasing saliance of small parties where political power and organizational survival were closely interrelated. In an economy where private sector is further diversified the parties would have more effective means to manipulate the situation. In contrast to the corporatist principle which postulates organized linkage between the state and group the 1970s were characterized by fragmentalized forms of interest representation. Conflicts within TOBB, between Chambers of Industry and Chambers of Commerce plus the emergence of a new type of bureaucrat8 with commitment to changing political goals and the informal links between the actors renders the corporatist model inappropriate to define the situation in Turkey of the 1970s. Informal contacts between government
and the members of private sector became even more salient during the 1980s.

TUSIAD’s foundation in 1971, signified an important development on the business side of the game. Alongside the compulsory interest group associations, TUSIAD emerged as the first voluntary interest group association. In a decade of debilitating democracy with fragmentation and polarization of the polity and the gradual erosion of the state power and decomposition of the government, TUSIAD has undertaken unto itself the mission of eliminating the uncertainties so generated.

These years witnessed the emergence of RPP’s left-of-center policy. TUSIAD hoped that RPP could control the militant worker movement and bring about some order to otherwise a very confused situation. That is why initially TUSIAD has not adopted a confrontationist strategy against this Social Democratic Party. When RPP could not stop militancy on the part of worker’s movement and in fact seemed to encourage it, there occurred the "TUSIAD-RPP confrontation" in 1979.

Even though during these years there was a certain degree of pluralism, the autonomy of groups varied depending upon to their links to government. TUSIAD, as a voluntary interest group association, with independent resources and organization skills of its own was able to distance itself from the political parties.
In general terms, however, TUSIAD-government relations till 1979 were characterized by government initiate and TUSIAD reaction. It may sound a paradox to talk about government initiative with the erosion of governmental power. Government initiative meant that in its relation to newly emerging groups, governments could establish control over the latter. Government continued to have control over the resources which they could always divert to this or that group. From this perspective, RPP's hope to mobilize the labor movement through its party apparatus and JP's reaction to Erbakan in the latter's attempt to find new clients among the Union members were typical types of control mechanisms and interaction patterns between political parties and social groups.

This particular strategy on the part of successive governments was viewed somewhat differently by TUSIAD as compared to reaction of other business associations TUSIAD tolerated Social Democrat - labor alignment at least until 1979. With the breakdown of the alignment last hopes for a political stability and predictability have gone down the drain. Stability and predictability were indispensable for the economic growth model advocated by TUSIAD.9

TUSIAD also tried to bring some order to the representation of private sector vis-à-vis the government. Here, too, it wanted to eliminate the fragmentation. Thus, TUSIAD took the initiative to convene the Free Enterprise Council.
During the 1970s, governments' role in the economy was conceived as supporting private sector as long as they contributed to the economic growth as designated by the governments. TUSIAD's reaction to etatist arguments developed by RPP and NSP led TUSIAD searching for a new economic policy. RPP's philosophy led to attempts to create new social groups. People's sector was the prominent example. If the policy could be implemented new groups in question would have an easy access to government compared to the there existing business associations.

TUSIAD did not show resistance to the new policies developed by RPP. Still, it was not considered a partner in policy-making. It did not have formal and institutionalized access to the government.

Following the severe confrontation with the social democrat government in 1979, TUSIAD's first item on its agenda was that of restructuration of the state, and political order. According to TUSIAD there was a need for a strong state. It was for this reason labor-Social Democrat alignment was seen as a necessity for securing social peace so that newly emerged groups could be smoothly integrated to the political system.

When the military intervened in September 12, 1980 the economic stabilization program advocated by TUSIAD began to be strictly implemented. In 1981 the status of the Association was changed to that of an association working for the public interest by the decision of the Council of Ministers. But the nature of relations between TUSIAD
and authorized agents of the state still remained cool and therefore, personalistic and informal.

From 1980 onwards, TUSIAD became a "peak association" among other business organizations. The political goal for TUSIAD turned out to be the formation of a center-right coalition.

The post-1980 period was characterized by the emergence of an inner executive circle in government. With the concentration of power in the political executive, dominated by a small group, the economic policy making became an activity which TUSIAD could not easily influence. The government contributed to the cleavages that arose within TUSIAD, between exporters and industrialists. The discretionary application of rules turned out to be the means for fostering the fragmentation of interests represented through the Association.

In addition, lack of coordination in the implementation of economic policies formulated by the inner circle, let the ministries and bureaucracy out of the picture. The latter were no longer points to which it was worthwhile to have access.

In the post-1980 period, although TUSIAD tried to institutionalize its relations with government personal connections continued to be a more effective channel to transmit specific demands to the relevant governmental agents. The result was sets of informal relations of clientalia type. The inner circle exploited such a pattern of interaction with members of the private sector. On the one hand, informal channels increased the importance of the inner circle.
At the same time it enabled them to manipulate clients more easily. Not able to do anything else for the most part, TUSIAD cooperated with the inner circle. Sabotaging of the economic policy of the government was never thought of because of the multiplicity of rewards that government could bestow.

In fact, loyalty to the center-right ideology of the MP became a criterion for privileged access to resources. The inner executive circle largely subordinated TUSIAD to its wishes. However, still TUSIAD called for predictability, institutionalized contacts, and consensus on the parameters of the economic policy making.

It can be suggested that interest group-state interface in Turkey hardly developed through corporatist, neocorporatist or pluralist lines. As it was emphasized "...the absence of powerful, economically dominant interests able to capture the state and use it for their own purposes and the weakness or absence of corporate intermediary structures, had important consequences for subsequent modernization. First, it led to what is known as the 'autonomy of the state' meaning that the state apparatus is not captive or handmaiden of any particular social class, but possess sufficient autonomy to make decisions, that can change, eliminate or create class relationships. This autonomous state, unhampered by corporate structures has a high capacity to accumulate and expand political power and bring about modernization of society."^{10}
The praetorian politics of the 1970's prevented the emergences of neither corporatism nor neocorporatism. For corporatist forms to emerge the "minimal condition" is "cooperation" rather than "confrontation." The restructuration of the state during the 1980s accompanied by the debureaucratization of the government led to the emergence of an inner executive which dominated policy-making. Thus, interest groups could hardly impinge on government (pluralism) let alone participate in decision-making (neo-corporatism). In contrast the government decided which groups to support (exporters). Exporters became the 'government's clients' though they too at any moment could be faced with decision that would have adversely affected their interests.

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1) The phrase was borrowed from Lanning in order to illustrate the "actual" place of TUSIAD in the political arena. TUSIAD's relevancy in the political system, of course, depends on the nature of its exchange with the central governmental agencies. But it is also apparent that through the reports and/or speeches of the predominant figures, it has some impact on the governments and sometimes determines the political agenda. For example, see Cumhuriyet May 30, 1990, May 31, 1990 and June 1, 1990.


3) Ibid.

4) Ibid.
5) In his discussion of patterns of government and business relations in USA Theodore Lowi pointed out that the "type of issue" affects the government - business relations. Lowi argued that in different areas one would to different patterns decision-making across the proposed that not only there existed different patterns in different patterns of influence and locus of power. see Theodore Lowi, "American Business, Public Policy, Case Studies and Political Theory," *World Politics* 16 (July 1964), pp. 677-715.

6) Bianchi, *Interest Groups and Political Development in Turkey*.

7) Turan, "Stages of Political Development."

8) Heper, "Ekonomik ve Sosyal Gelişme Sürecinde Bürokrasi: Bir Tipoloji ve Bazı Düşünceler."

9) As already noted, the measures taken after the 1971 coup by communique gave the first signs of the shift towards a new pattern of economic growth.


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