

THE NEW RIGHT AND ÖZALISM:
A COMPARATIVE PERSPECTIVE

by

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Ankara

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The Institute of Economics and Social Sciences
of
Bilkent University

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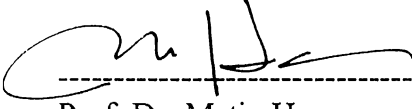
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I certify that I have read this thesis and found that it is fully adequate, in scope and in quality, as a thesis for the degree of Master of Arts in Political Science and Public Administration.



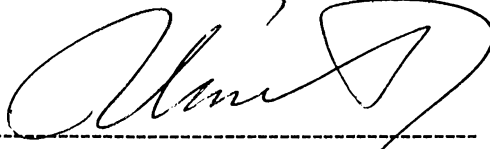
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ABSTRACT

THE NEW RIGHT AND ÖZALISM: A COMPARATIVE PERSPECTIVE

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This thesis serves for the aim of investigating the politics of the 1980s in Turkey by focusing on the policies and the ideology of the ANAP. This study aimed to examine the Turkish politics in the 1980s under the light of the New Right ideology. The ANAP seemed to be the advocator of the New Right ideology in Turkey. Both global and national environment of the 1970s necessitated a new form of politics for the solution of both economic and political problems. The ANAP was accepted as one particular response to the national and international crises of the 1970s.

Thatcherism and Reaganism are two significant examples that are agreed to be the practises of the New Right ideology. In order to explore the affinity between the Turkish, American and British practises in the 1980s, a kind of comparative analysis was necessary. I explored the basic characteristics of the New Right in the first place, then focused on the ANAP's party structure, ideology, economic and political perspectives. Under the light of these, I turned to the international scale, and compared the Özal government with Thatcher and Reagan governments.

Within the framework of above procedure, this thesis indicates that the practises of the 1980s in Turkey matches with the British and American practises and the ideology of the New Right to a certain extent. However, one cannot ignore some specific characteristics of the Turkish case which necessitated some changes in the ideology and practises.

Keywords: The New Right, Liberalism, Conservatism, Özalism, Thatcherism, Reaganism.

ÖZET

YENİ SAĞ VE ÖZALİZM: KARŞILAŞTIRMALI BİR BAKIŞ

Aylin Topal

Siyaset Bilimi ve Kamu Yönetimi

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Bu tez, Türkiye’de 1980li yıllar politikalarını Yeni Sağ ideolojisi çerçevesinde, ANAP politika ve ideolojisi üzerinde odaklanarak araştırmayı amaçlamıştır. ANAP, Türkiye’de Yeni Sağ ideolojisinin temsilcisi olarak görünmektedir. 1970li yılların küresel ve ulusal atmosferi politik ve ekonomik problemlerin çözümü için yeni bir politika anlayışının gerekliliğini göstermiştir. ANAP 1970li yılların problemlerini çözmeyi vaadeden bir parti olarak Türkiye siyasal yaşantısında yerini almıştır.

Thatcherizm ve Reaganizm yazında Yeni Sağ ideolojisinin iki önemli örneği olarak kabul edilir. Türkiye, Amerika ve İngiltere pratiklerinin birbirlerine olan yakınlıklarını açığa çıkarabilmek için karşılaştırmalı bir bakış gereklidir. Bu tezde Yeni Sağın temel özelliklerinin araştırılmasının ardından, ANAP’ın parti yapısı, ideolojisi, ekonomik ve politik bakış açısı incelenmiştir. İlk iki bölümün ışığı altında, üçüncü bölümde, uluslararası düzleme dönüşmüş ve Özal hükümeti, Thatcher ve Reagan hükümetleri ile karşılaştırılmıştır.

Yukarıda anlatılan yöntem çerçevesinde, bu çalışma 1980li yıllar Türkiye pratikleri, İngiltere ve Amerika pratikleri ile ve Yeni Sağ ideolojisi ile örtüşmeler gösterdiğini ortaya çıkarmıştır. Ancak Türkiye örneğinin bazı özelliklerinin Yeni Sağ ideolojisi ve pratiklerinde birtakım değişikliklere neden olduğunda gözlemlenmiştir.

Anahtar Kelimeler: Yeni Sağ, Liberalizm, Muhafazakarlık, Özalizm, Thatcherizm, Reaganizm.

To my parents, Hasan and Şerife

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Chapter One

INTRODUCTION

After a relatively social democratic phase, political power in the West shifted to parties of the Right with the coming of the 1980s. Ronald Reagan (1981) in the United States, Margaret Thatcher (1979) in Britain, Helmut Kohl (1982) in Germany and Jacques Chirac (1981) in France were partly conservatives and partly liberals when the core cadre of the parties is the main focus. In the 1980s several students of politics turned their attention to these countries. They tried to figure out and conceptualise the policies of these leaders' governments during which significant changes had occurred. Generally, the ideological centre of gravity of the New Right was in the Anglo-Saxon countries. In the 1980s, the New Right ideas shaped Turkish politics to a certain extent. The Motherland Party seemed to be an advocate of the New Right ideology. These ideas continued to affect political debates and the policies after the demise of the Özal administration. No other Turkish Prime Minister has had his name used in the way Özal has. Özalism has

been used widely to refer to name the policies of the 1980s and 1990s. This alone justifies this study and makes it important since it throws a light on contemporary political developments too.

Some argue that Islamism in Turkey constitutes a strong essence of conservatism, and with the emergence of the Motherland Party (*Anavatan Partisi*, hereafter ANAP), a discourse of liberalism too, was integrated into Turkish conservatism. The ANAP had a significant faction, for the members of which religion was quite important. In this study, I investigate liberalism and conservatism as dimensions of the politics of the ANAP. I dwell on the question of political liberalism and conservatism of the ANAP of the 1980s. Also I will inquire to what extent this particular mixture of liberalism and conservatism resembles those of the New Right one comes across in the West. The circumstances that defined the ANAP were not only national; they were also global. Therefore, understanding the ANAP particularly, the politics of the 1980s in general, requires knowledge of the world political economy as well as knowledge of national political economic structures. This study investigates the politics of the 1980s in Turkey, focusing on the ANAP as one particular response to the political and economic crises of the 1970s, both global and national and compares this particular case with the British and American cases as they are referred to in the literature as the New Right.

In the First Chapter, I take up and try to explore some basic dimensions of political liberalism, political conservatism, and the New Right. In the second Chapter, I

study the ANAP's liberalism and conservatism in the 1980s. In the third Chapter I discuss to what extent the ANAP's mixture of liberalism and conservatism resembled the New Right in the West. In the fourth and the last chapter, I offer some concluding observations.

POLITICAL LIBERALISM, POLITICAL CONSERVATISM, AND THE NEW RIGHT

Although it is a sort of response to the changed circumstances of the world economy and national economies together with a philosophy sophisticated in the works of Frederick Hayek and Milton Friedman, the New Right represents an uneasy mixture of the nineteenth-century liberalism based on a rational, benefit maximiser, autonomous individual and traditional conservatism based on authority, and tradition driven society. The strands in the New Right are often called as neo-liberalism and neo-conservatism. In this study I have preferred to trace the New Right as a whole, but not totally compact. There are liberals and conservatives in the New Right; however, liberals have conservative ideas and conservatives have liberals notions. Thus, neo-liberalism and neo-conservatism are only the parts of a whole, therefore, to understand the whole the New Right would be better. For this reason neo-liberalism and neo-conservatism should be analysed under the title of the New Right. To what extent neo-liberalism and neo-conservatism are new and different from their old versions? Therefore, a discussion of the basic characteristics of both liberalism and conservatism, as the

first step of my study, helps to give a better understanding of the evolution of the ideologies in the New Right.

Basic Characteristics of Liberalism

The Enlightenment is the origin of the full and experimental use of reason in human affairs. The intellectuals of the Enlightenment believed that society could improve by actions of rational man. This necessarily bears the claim of universalism (Eatwell, 1989: 14). With arguments based on 'reason', political authority was questioned. The 1820s and 1830s witnessed the blossoming of liberal ideology. In British and European thought, the heyday of liberalism coincided with the growth of industrialisation and the expansion of markets in goods, capital and labour. Liberalism had its longest period of effective political and economic activity in Britain in the shape of the Liberal Party from the 1840s onwards until 1922 (Vincent, 1992: 32). Indeed, there is not a pure doctrine of liberalism, and that there are some core ideas that appear differently in the writings of different thinkers. The main themes of the liberal ideas are individualism, individual rights and liberties and limited and balanced government.

Liberalism is founded on individualism which implies that the individual is prior to society. In the classical liberal thought, the desires and interests of the individual are given top priority. Reason is instrumental to the achievement of one's goals

that s/he knows best. In liberal thinking, there are no institutions judging individuals and no morality or doctrine constraining the individual. Hence, liberalism implies extensive individual autonomy (Vincent, 1992: 32).

Classical liberalism calls for minimal or limited government (Gray, 1986: 70); the latter is justified by the proposed prosperity that economies deliver most successfully when they are not interfered with by governments. Liberal government must be a limited but an active government. The safeguarding of freedom of conscience, freedom of occupational choice, privacy and family rights should keep governments busy (Ryan, 1992: 307). Market mechanisms are considered superior to state regulation as a promoter of both economic prosperity and of the individual freedom through the limiting of the state intervention. Freedom must be market-based rather than state-imposed. Public institutions should be designed to maximise individual freedom.

Basic Characteristics of Conservatism

Conservatism is simply based on the idea of conserving, of keeping something from deterioration. Although this idea dates back to the fourteenth century, the political usage of the term emerged following the French Revolution, and in the early 1800s, especially with Edmund Burke's *Reflections on the Revolution in France*. Conservatism emerged at the same time with liberalism and socialism. As

a doctrine, conservatism has always been characterised by its emphasis upon authority, hierarchy, and balance, which are required for the establishment and maintenance of social order (Ryan, 1992: 63). The existence of a transcendental moral order, to which we ought to conform, is the basic assumption of the conservative ideology (Muller, 1997: 4). Conservatives have always been critical of the individualism of liberal doctrine because liberalism is taken to stand for the removal of all kinds of restraints over individual freedom. That is because conservatives believe that if the individual is left alone without any constraint, it can lead to the erosion of essential institutions that promote social order. Therefore, in conservatism, the main stress has been on community rather than on the individual.

Conservatism should not be understood as simple acceptance of the institutional *status-quo*; indeed, it arises from the possible danger coming from radical change or by proposed reforms by the dominant political actors. Therefore, conservatism rather than being an inherent theory in defence of particular institutions, is a positional ideology. Its position may change according to the values it aims to conserve. The very term conservation implies the presence of something to conserve, but what if the desired values and/or structures have changed in time? Then conservatism first aims at a controlled change through the consolidation of the aimed situation and only after that it defends the conservation of the newly formed values and structures.

VARIATIONS ON THE NEW RIGHT

The New Right has been conceptualised differently by different scholars. That is because the New Right is not a clear project and therefore is open to different interpretations. There are a number of approaches to the New Right, often with reference to 'Thatcherism' and 'Reaganism'. I now summarise these views to show the varying nature of the New Right

Andrew Gamble (1988) sees the New Right as a tool to solve the political as well as economic crisis of the late 1970s. According to him, the hard-core of the New Right parties was the conservatives who made the political decisions. Although the New Right contained two strands (liberalism and conservatism), the conservatives were much more influential in the policies. Paul Taylor (1989; 1992) and Bob Jessop (1984) approach the case with significant economic tendencies. They identify the period with economic constraint: the international political economy that entered a period of relative stagnation in the 1970s. Therefore, the New Right economic policies were seen as the only choice to overcome the continuing economic crisis. In the 1970s, with the effect of the economic crisis, the post-war welfare state order collapsed. As the representatives of both right and left argue, although in different terms, one of the primary reasons of the crisis was the incompatibility between the interest of capital and labour. The solution of the New

Right came as an attack to trade unions for the benefit of capital. David Coates (1989: 113) notes that, the New Right ideology was used as a tool to 'attack on trade unions as a crucial constraint on the operation of the market ...(and)... balance between class forces in the interest of capital'. As different from the prices and incomes policy of the post-war era, which meant inclusion of the unions in to economic management and controlling inflation, the New Right relied heavily on the marginalisation of trade unions. Thatcher government, for instance, acted through step by step legislation, in order to further restrict union freedoms (Coxall, 1998: 234-235). The ultimate aim was to transform trade unions into workplace representatives instead of organised interest groups acting in behalf of a class.

Stuart Hall is one of the most important and first theorists of the New Right ideology. He claims that policy changes are the results of the change in the hegemonic project, and in the British case, the 1980s witnessed the hegemonic project of the New Right ideology. He directs the attention to a series of 'moral panic' around seemingly non-political issues such as race, moral order, and permissiveness. Therefore, he defined the project more with reference to the non-political and non-economic spheres. He calls the hegemonic project of the New Right as 'authoritarian populism' (1988:115-24). Valerie L. Scatamburlo (1998), also sees the New Right as an hegemonic project, 'securing its hegemony over public opinion on red-button issues by manipulating the realm of cultural politics'. According to Wolfe (1991: 237), 'ideology shapes institutions and outcomes; so

the transformation of ideas and practises in the 'Thatcher' [and surely 'Reagan'] period was underpinned by New Right ideology.

The New Right was predominantly an economic project bolstered with political policies which aimed at constructing its hegemony in the 1980s. The objective of the New Right was to diffuse into every side of life. Therefore, in addition to political and economic ones, it was a cultural strategy as well. Besides economic and political re-structuring, by the way of cultural re-structuring, the New Right desired to rule less by force than by consent.

As the above sections clarify, the New Right is a mixture of two centuries-long political philosophies. However, and expectedly, this mixture is not an easy one since it is exposed to internal and mutual ambiguities of each philosophy. The following section attempts at helping to illuminate such points.

CONTRADICTIONS OF LIBERALISM AND CONSERVATISM

Liberalism and conservatism, as two pillars of the doctrine seem to contradict each other on several important issues; including the role attributed to the state; the rights and responsibilities of the individual; the nature and scope of individual freedom; and the importance of religious and familial values in society.

The combination of a traditional liberal defence of free economy with a traditional conservative defence of the state authority is the most distinctive feature of the New Right. Desmond King (1987) and Andrew Gamble (1988) argue that the idea of free economy combined with strong state presents a paradox. Indeed, the contradiction between liberalism and conservatism in defining the role of the state is apparent. As noted before, liberalism implies a limited government, whereas conservatism requires a strong state to maintain political order and social order. "The state is to be simultaneously rolled back and rolled forward. Non-interventionist and decentralised in economic areas, the state is to be highly interventionist and centralised in others" (Gamble, 1988: 35). This issue has been the bone of contention between conservatives and liberals. John Gray (1993: 3), a famous conservative scholar, criticised Margaret Thatcher's government by claiming that what was needed was certainly not a minimum government but instead a limited state with significant positive responsibilities. It was the vital responsibility of a government to facilitate the transmission of valuable cultural traditions across the generations while, at the same time, to nurture and enrich the under-girding common culture. According to conservatives, as a result of the policies pursuing the idea that in the conditions of a modern society, only market institutions can give practical realisation to the values of liberty and human dignity, we face the danger of civil society being further weakened by the metamorphosis of the state itself into an enterprise association (Gray, 1993: 45).

One of the most important premises of liberal thinking is the belief that emancipation of man from the religious and traditional bonds of the social order will bring progress. On the other hand, the basic emphasis of conservatism is on tradition. Consequently, there is a stress on the values of community, kinship, hierarchy, authority, and religion. Conservatives claim that society turns into a chaotic situation once individuals turn a blind eye to these values by the forces of liberalism and radicalism (Nispet, 1986: 8).

Liberals and conservatives differ in their perception of capitalism: Liberals value industrialisation as the basis of 'progress' and facilitator of increased happiness in society. On the other hand, as Nispet (1986: 11) claims, "conservatism is the child of the Industrial and French revolutions: unintended and unwanted, hated by the protagonist of each, but the child nevertheless". Extreme forms of conservatives are against democracy, technology and secularism that these two revolutions both gave importance to and helped to articulate. Conservatives prefer strict hierarchy, inequality, authority, and the tenets of the pre-industrial social order.

Conservatives are clearly critical of liberalism because it is for complete individual freedom. Conservatives argue that the individual has not only rights and freedoms but also responsibilities toward the society: "Thus the state cannot be 'minimised' in the way that liberals suggest: it must guarantee law, order and the preservation of the country's freedom" (Suvanto, 1997: 142-143). As it has been succinctly put, "liberalism and conservatism contradict each other; they appear mutually

exclusive: liberal's concern with liberty, freedom and progress does not correspond with conservatives' emphasis upon organic unity of society and the state, hierarchy, and the negative consequences of economic activity (King, 1987: 24).

At this point there arises an important question: In spite of many contradictions, how can the unity of liberalism and conservatism in political practise be explained? It is now in order to turn to this question.

THE NEW RIGHT AS THE HEGEMONIC IDEOLOGY OF THE 1980s

Seeds of the New Right go back to the 1870s. In the 1870s, the three schools of economics –Austria, Virginia and Chicago- strove for the resolution of the crisis of classical theory by applying neo-classical economic theory. Carl Menger is known as an important figure in both philosophical and theoretical formation of the New Right with his publication *Principles of Economics* in 1871. In the 1970s, the New Right entered the political and economic area by promising to solve the ongoing economic crises. In spite of the discussed internal divisions and conflicts, the New Right ideology had a hegemonic character during the 1980s. Although traditional liberalism and traditional conservatism have serious contradiction on several issues, the ideology of the New Right represents sort of an evolution of both liberalism and conservatism. Therefore, the New Right should not be considered as a mere alignment of these ideologies.

The proposed role for the state differentiates liberals of the New Right from traditional liberals and conservatives of the New Right from traditional conservatives. Liberals in the New Right propose that some state intervention can be justified and moreover necessary for public good. The economic situation is considered as constantly changing and had no specific direction and end. This **new** role of the state in regard to the market is because of the **new** conception of human nature.

There is a difference between the understanding of human nature in traditional liberalism and liberalism of the New Right because of the conservative inputs. According to Hayek, who is a scholar of enormous importance for the New Right, human nature is anti-rational; therefore, while, trying to leave the market to its own devices, there was a strong attack on the planned economy. That is because, planning by definition implies a reason-based activity. The liberal position shares with conservatism a distrust to reason to the extent that a liberal is very much aware that we do not know all the answers and that he is not sure that the answers he has are certainly the right ones or even that we can find all the answers (Hayek, 1960: 406). There must be only a fine-tuning between the state and the economy. Thus, in the New Right, there is no notion such as the perfect order of the market. The individual should be free to act in the market but this does not mean the market is free from any control since individual cannot know the certain solution of each problem. State is there to correct the market imperfections whenever it is

crucial; therefore, it does imply considerably more intervention than liberal economic principles, obviously less intervention than what the Keynesian Welfare State propose. The New Right advocates argued that the programmes of both social democrats and socialists had been discredited by experience. As the state became more and more interventionist so the authority of government became progressively weaker against powerful trade unions and the other sectional interest. In order words, foundations of social and public order were undermined and authoritarian means were seen to be the only ways for their restoration (Gamble, 1988: 35). The task of government is to create a framework within which individual and groups can successfully pursue their respective ends, and sometimes to use its coercive power of raising revenue to provide services which for one reason or another the market cannot supply (Hayek, 1979: 139). The major goal was privatisation, that is moving as much as possible from the public to the private sector.

Planning, according to Hayek, is a kind of sin. He believed that social institutions and practices are largely unplanned, and successfully evolved and survived because they benefit those who adopt them. "Social institutions are the result of human action not of human design. Language and the market are examples of unplanned yet structured institutions that follow certain rules. A successful society –what Hayek described as "the Great Society" – will be one that identifies and follows the best rules" (Ashford, 1993:26). Traditions, rules, and institutions are

the product of evolution not of human mind, but of “a spontaneous order” which benefit members of a particular society.

The most important point in adaptation of liberalism and conservatism is drawing a fine line between a limited state and a strong government. While conservatives seek a strong centralised government to maintain social order and hierarchical authority and strengthen the familial values, liberals seek a limited and weak state, leaving the market to its own mechanisms so as to provide maximum benefit for individuals which were characterised as the rational keeper of their interests. Therefore, the New Right necessitates, on the one hand, liberal arguments about the desirability of a ‘spontaneous social order’ created and maintained by the operation of free markets and about the need for only a minimal ‘night-watchman’ state to police that order, and on the other hand, conservative argument about the desirability of stability, continuity and ‘good order’ and about the need for a strong, authoritative and vigorously assertive state.

In order to clarify the possible confusion between the terms government and state, let us go into details of the specific characteristic of the state in the New Right project. In the literature, some writers use the term government and state interchangeably, therefore, it sometimes becomes confusing. In this paper, I shall use the following categorisation. In the first place, state should be evaluated in relation to three separate but not distinct spheres: the social, political, and the economic. When the relation between the state and society on which the hegemony

is built is considered, the New Right theorists generally use the term 'government'. Passing to the relation between the state and the market they use the term 'state'. While, government is referred to as regulating social and political relations of people through which law and order are significantly stressed; state is understood as the sort of entity getting involved in the economic relations among the members of society, thus something that should be sealed. In this respect, we can say that, in the New Right, while government is conceptualised in conventional conservative terrain, state is perceived and theorised more in individualist liberal terrain. The key doctrine of the New Right on which all strands agreed, and the political project it has inspired is, therefore, the doctrine of free economy and strong government.

Shared Critiques

Both strands within the New Right rejected many of the ideas, practises and institutions that had been supported and practised by the previous policy makers. The New Right theorists, both liberals and conservatives, criticised the Welfare State for its economic burden on the political power. The Welfare State practices on the one hand, had enabled political power involvement in economy and on the other hand it had bolstered the chronic budget deficits and state debts. A short-term solution, printing money, had become the only choice of the political power. The major criticism was that via practises of the Keynesian Welfare State the economic sphere had become politicised and the stability had been damaged by the political

power. Welfare expenses demand a huge budget, and taxation is an important item in the budget income. Nevertheless, the Welfare State takes the responsibility of the welfare expenses without demanding a fiscal policy (Buchanan and Wagner, 1987:399). For this reason welfare states are destined to go into deep economic crises.

In order to overcome these crises, states either run debts or start printing money or both. Neither of these two solutions can be applied in normal conditions and whenever they are applied the inevitable result is inflation and instability. Both stands of the New Right shared the critiques towards the Welfare State policies and as a political program. The New Right was closely identified with the opposition to state involvement in the economy, unless it turned out to be a must to remedy the imperfections in the market.

Liberalism and conservatism as being two pillars of the New Right ideology gain much from the other, and, actually, this gives a sort of strength to the project. The hidden assumption of the New Right is that conservatism provides a set of residual claims to compensate for the negative consequences of pursuing liberal policies. In other words, social-ness of conservatism is taken as the antidote for the fatal consequences of individualism. For example, as public welfare services by the state are reduced in accordance with the liberal objectives, traditional roles of women and families, which are strongly defended by conservatives become important.

Conservatives criticised the welfare state because of its moral implications, in particular, with its impact on the familial norms, traditional social values and its encouragement of feminism. The New Right conservatives argue that the state provision of welfare erodes the family's traditional role. The New Right emphasised the importance of the family as the main economic and social unit in society (King, 1987: 25). Therefore, the understanding of dual-actor can be spoken of. The main stress is on the individual in the market with the effect of liberal understanding and the main actor is the family in the society with the effect of the conservatives. Authority and discipline must also be reasserted in schools and in families.

In sum, to overcome the economic crisis of Keynesian state, the capitalist system went into a process of re-structuring. Conservatives have appropriated the liberal ideas of the market order and free economy. They adapted them to the requirements of conservative discourse about society and politics. Rather than being both liberal and conservative, the New Right was predominantly a conservative movement.

At this point one may oppose this idea by claiming that how can a 'predominantly conservative movement' propose a complete change in the institutions. The answer would be found in the words of Wolfe: "Thatcherites", driven by the New Right ideology, developed a coherent policy on privatisation in opposition, which they

carried out in power. In fact, they adapted a step-by-step approach; that the growth in their commitment to privatisation in opposition and in the early days of power was slow but sure” (Wolfe, 1991: 240).

What conservatives believe is a matter of what they want to conserve and who threatens it. Indeed, conservatives in the United States and in Britain wanted to conserve the political system and ideology of liberals. The term ‘liberal-conservatism’ may well suit the case, because, it is the conservatives who have been affected by the revival of the neo-liberal political economy, that market economy depends on the socially responsible citizens. Eatwell (1989) sums up the main characteristics of the conservative notion in the New Right as follows:

1. Conservative and perhaps authoritarian doctrines concerning the nature of civil society, with emphasis on custom, tradition and allegiance as social bonds;
2. doctrines of political obligation framed in terms of obedience, legitimacy, and piety rather than contract, consent, and justice;
3. reluctance to countenance too great a divorce between law and morality – i.e. between enactments of the state, and the sentiments of society, hence a resistance to liberalising reforms in the law;
4. cultural conservatism;
5. respect for the hereditary principle and prescriptive rights;
6. belief in private property, not as a natural right, but as an indispensable part of the condition of society;
7. belief in elementary freedoms, and in the irreplaceable value of the individual as against the collective;
8. belief in free enterprise and a capitalist economy, as the only mode of production compatible with human freedom, and suited to the temporary nature of human aspirations;
9. varying degrees of belief in human imperfectability and original sin (Eatwell, 1989: 47-48).

Although important differences seem to exist between neo-liberalism and neo-conservatism, there are important similarities between them. Both strands aimed to maintaining a system of inequality: which is in the market for neo-liberals, and in

the social stratification for the neo-conservatives. The neo-conservatives' emphasis on personal responsibility goes hand in hand with the neo-liberal attack on welfare rights: "Neo-conservatives have given neo-liberals a conception of nationhood and value of duties and obligations, while neo-liberals have taught neo-conservatives the value of markets" (Harris, 1998: 62). Both see danger in the politicisation of the social order that can be threatened by organised social classes. In sum, while neo-liberals focus on the policies and decisions on the market, neo-conservatives work with a heavily social and particularly cultural conception of the individual.

In sum no matter how often evident theoretical inconsistencies are identified in the New Right arguments, these have succeeded in providing a policy sufficiently coherent to enjoy electoral and political success. In the New Right policies, rolling back to the state in some areas have been accompanied with the expansion in some others. The conceptualisation of limited government and a strong state would solve this seemingly contradictory issue and moreover the relationship between these two tendencies is best explained in terms of the social effects of rapid privatisation and diffusion of market practices in the welfare state. Institutions like family, religion, and charity foundations promoted by conservative view fill the gap created by the reduction of state while leaving the individual alone via liberal practices, and thus soften the negative consequences of this reduction (Aksoy, 1995). Conceptualisation of strong government, emphasising social order and moral values, as an antidote for the social effects of the end of the welfare services makes the New Right politically successful.

The methodology of the New Right in constructing its own frames and posing its criticisms is the evaluation of the political and economic history of the world with polar terms, real/imaginary, right/wrong, or white/black. From this categorisation, then the New Right holyfies itself as the unique scientific approach. If one accepts the categorisation of the New Right, then the criticism could only be partial and these could only be related with the (wrong) practices of the New Right model. Other practises like fascist, socialist and even social democratic practises conducted in the 1970s and even before that, according to the theorists of the New Right, were totalitarian in origin, utopian and unscientific. Therefore, Pekel (1994:22) claims that the New Right is one of the purest examples of the “scientific despotism”.

The success of the New Right is not because it provided a new and effective theoretical view, or solutions to the problems of the era. On the contrary, it is because of its theoretical structure which legitimises the insensitivity towards systemic problems and normalises living with those problems and more importantly the New Right takes the attention from the system itself the source of the problems and directs the criticisms to the individual policies. These features are the gifts of conservatism to the New Right because the political and the social are defined within the confines of conservative notions, the economic sphere is tried to be restructured with reference to liberal understanding under the shadow of conservatism.

Liberals in the New Right regard themselves as modern classical liberals. Likewise, conservatives prefer to define their understanding as modern conservatism. Modern classical liberalism and modern conservatism at first glance seems to be paradoxical nonetheless, ~~t~~he essence that brings modern and classical together makes the politics of the 1980s as “**new**”. “[W]hat gives the New Right a unity and helps to distinguish it from previous ‘rights’ is the combination of a traditional liberal defence of the free economy with a traditional conservative defence of state authority” (Gamble, 1998: 35-36).

The New Right ideas seem to shape Turkish politics to a certain extent. In the coming chapter Turkish politics in the 1980s will be maintained.

Chapter Two

THE 1980s: RESTRUCTURING TURKEY

Throughout Turkish political history, one comes across important turning points which were particularly intensified after 1950. Before 1950, a long-lasting rule of the Republican People's Party (Cumhuriyet Halk Partisi- CHP) left its mark on Turkish politics. However, after the 1945 elections, which meant a shift to the multi-party system, the Democrat Party (Demokrat Parti-DP) became the victor of the 1950 elections. The ten-year long DP government shook the previously structured position of the military and eventually, in 1960, DP was removed from the political power by a military take-over. Following this, the second military intervention but this time an indirect one occurred in 1971, and the Demirel government was forced to resign. The decade of the 1980s witnessed a crucial turning point in Turkey's socio-economic and political structure. At the heart of this socio-economic transformation, there lie the January 24, 1980 economic measures, followed by the September 12, 1980 *coup d'etat* and following the

November 1983 elections, the emergence of ANAP as the ruling party. The parliamentary, military, semi-military and once again, parliamentary regimes which followed each other during these years represented striking continuities with respect to the basic economic policy orientations (Boratav, 1990: 199) and political policies.

When Turkish politics is considered, generally a ten-year-periodisation is being used; pre-1950, the 1950s, the 1960s, the 1970s, the 1980s and the 1990s. At the very beginning of each decade –with the exception of the 1990- interestingly there occurred a fundamental change if not an attempt to change the political structure of Turkey. In the literature, the 1980s is generally labelled and evaluated starting with the 12th of September, however, this study shall start with examining the 1980s starting with 24th of January. That is because, the impetus of the change in the Turkish politics in the 1980s was not the military intervention as suggested by many scholars, it was the January 24 the economic program. By claiming this, I do not mean to underestimate the significance of the military intervention, but the January 24, 1980 economic decisions, September 12, 1980 military intervention, and November 6, 1983 general election and the rest of the decade should be considered as a kind of continuity rather than breaks. The main objective of this chapter is to make an analysis of the events of the 1980s with a special emphasis on the political liberalism and conservatism of the Motherland Party with some necessary references to the January 24, 1980 economic decisions and military intervention.

Pre-1980 Period

In the first place it is essential to have a look at the economic policies of the 1970s, because the 1980s was not realised in a vacuum-like situation, but both internal and external factors in the preceding period affected the conditions of the 1980s. After the mid-1960s, Turkey's traditional industrialisation strategy was based on an import substitution strategy through protectionist policies. Because of the low levels of export, foreign exchange stocks became a bottleneck. After the oil shocks of the 1970s, this system became problematic. During the 1970s, Turkey faced the worst political and socio-economical crises of its republican history. Such crises included social unrest, political violence, paralysis of the state bureaucracy and other institutions, foreign exchange problems, growing foreign debt, negative economic growth, high inflation and unemployment, a series of shortages, and alarming trade and balance of payments deficits (Eralp, Tünay and Yeşilada, 1993: 1). In a general evaluation of the industrialisation programs, Albert Hirschman (1968) foresees and evaluates these crises as the 'crisis of the import substitution industrialisation' which is called as a "difficult phase". Towards the end of the 1970s Turkey encountered a major debt problem and became the first major developing country to face a resulting debt payment crisis (Celasun and Rodrik, 1989: 193).

Among significant external factors responsible for Turkey's economic problems, sudden increases in oil prices in 1973 and 1979 can be cited. One can argue that the economic problems had begun with the 1973 oil crisis that caused a drastic increase in the petroleum import expenditure. However, the oil crisis can only be a part of the existing internal economic problems.

In the preceding years, economic policies had been considered as inconsistent, unstable and irrational. Various *ad hoc* adjustments were made in order to achieve sustainable growth and prevent worsening debt problem. These adjustment policies which had been undertaken in accordance with two stand-by arrangements with the IMF (April 1978 and July 1979) were maxi-devaluations in 1978 and 1980 and measures to restrict imports. However in time, it was realised that those policies were not sufficient to solve the balance-of-payments and other macroeconomic problems. Therefore, immediate and substantial reforms were to be made.

January 24, 1980 Economic Program

On January 24, 1980, a series of economic policy changes, which were under the control and guidance of the International Monetary Fund (IMF), were introduced by the last civilian government of the 1970s, headed by Süleyman Demirel to achieve a restructuring of the economy. Turgut Özal, who at the time was a top-bureaucrat in the State Planning Organisation, was considered as being the

architect of the economic measures adopted. This stabilisation program received immediate recognition and support from international organisations like IMF and the World Bank and the Organisation for Economic Cooperation and Development (OECD). The economic policy changes included strong macroeconomic stabilisation measures, with the help of fundamental reforms. The short-term objectives of these reforms were to reduce the rate of inflation, improve the balance-of-payments through rapid export-growth, and re-establish Turkey's international credit-worthiness. Although short-term objectives of the program were announced, there were no specific plans and timetables for the long-term objectives of privatising of the state economic enterprise and liberalising foreign trade and payments.

In order to achieve these objectives the following measures were to be adopted: (1) a realistic and flexible exchange rate policy; (2) more effective export promotion measures to encourage rapid export-growth; (3) gradual import liberalisation, including the dismantling of quantitative restrictions and the rationalisation of the tariff structure; (4) improved external debt management and information systems; (5) tight monetary controls and discipline to restrain domestic absorption and reduce the rate of the inflation; (6) deregulation of interest rates to encourage private savings; (7) rationalisation of the public investment program; (8) a greater role for the private sector by encouraging privatisation and limiting the range of sectors dominated by public enterprises; (9) reform of the State Economic Enterprises (SEEs) to reduce their burden on the budget and improve their

efficiency, (10) steps to improve institutional efficiency in key sector (Baysan, Blitzer, 1990: 11).

The Demirel government could not implement the economic program, since it lacked the necessary instruments. Because the January 24th economic program necessitated difficult measures and policies which were so harsh that Demirel government could not dare to pursue them because of fear of losing its public support in the coming election. Only after the 1980, objectives of the economic program could be pursued. The military came to the political stage and removed the handicaps over the implementation of the economic program. Özal, became the director of the economy not only in practice but also formally.

This adjustment program was implemented in three stages. During the first stage in 1980-1981, the aim was to achieve some degree of economic stability by adopting fiscal and monetary policies and emphasising export-oriented growth. In the second stage, 1982-1983, the government tried to maintain the climate of economic stability and to set relative price realignment. Finally, the third stage started with the transition to 'civilian rule' in November 1983 and, under the leadership of Turgut Özal, and continued until the 1987 general elections. During the last stage, the ANAP government emphasised deeper liberalisation of trade and monetary regimes by adopting the 1980 liberalisation program (Yeşilada and Fusunoğlu, 1992:191). This economic program therefore, could be pursued and even developed until 1987 without any interruption.

This program which was introduced as alternative-less and indispensable, was not unique and specific to Turkey. Targets and solutions offered in the model resemble the stabilisation policy package of the IMF for the underdeveloped countries under economic crises in the 1970s and the structural adjustment program of the World Bank (Boratav, 1988:122).

September 12, 1980 Military Intervention

Both the political and economic crises of the late 1970s, paved the way for the third military intervention of Turkey in September 12, 1980. The military came to power with two overriding objectives, the first one was to tame the political environment by applying harsh measures against extremists and the second objective was for economic restructuring. The military aimed to pursue the January 24 decisions which had not been succeeded between January and September of that year. It is quite interesting and illustrative that the Chief of General Staff Kenan Evren, in one of his first speeches after the intervention, pinpointed that in the 1970s the wages had been very high and this had created some problems. Economic problems of the 1970s were considered seriously by the military, and economic restructuring was an objective to succeed together with the political one (Boratav, 1988:122). For the success of both of these objectives, the intervenors decided to prepare a new constitution. The 1982 Constitution and the presidency of

the General Kenan Evren were approved by a referendum in 1982. “Perhaps the single most important difference between the Turkish Constitution of 1961 and 1982 can be summarised as follows: the latter opted for a much less participant and pluralist version of democracy compared the former” (Özbudun, 1991: 41). The military as can be deduced from the above quotation, aimed at solving the political crises by creating the blueprint of an apolitical society. “Although the 1982 Constitution recognise[d] basic associational freedoms [that is, the right to form associations and trade unions], such freedoms ...[were] hedged with so many qualifications that they ...[could] hardly be expected to permit a vigorous and truly pluralistic associational life” (Özbudun, 1991: 42). The head of the state, General Kenan Evren, openly stated the objective of the military in preparing the Constitution in his speech for the Public introduction of the Constitution:

The new Constitution lays down a principle valid for all institutions. Each institution, whether a party, a school, or a professional organisation, should remain in its own functionally specific area. In other words, a party will function as a party, an association as an association, a foundation as a foundation, and a trade union as a trade union. Political activity is reserved for political parties. No institution which is not organised as a political party may engage in political activity. On the other hand, political parties should not interfere in areas reserved for trade unions, associations, professional organisations and foundations. Every institution will function within its own framework (Evren, 1982 cited in Özbudun, 1991: 42-43).

As it can be deduced from the above quotation, the spheres of political and economic struggle were completely distinctly conceptualised by the military in the 1982 Constitution. Therefore, they could not reside in the same sphere. One of the

basic characteristics of the 1980s is the compartmentalisation of the economic and political domains.

For the purpose of restructuring the political sphere, new legislation modifying the party formation and political activities were put into effect¹. Since they were blamed for polarisation of the political system during the 1970s, the leaders and the parliamentarians of all the parties that existed before 12 September, 1980 were banned from politics for ten and five years respectively. The military was searching for a means to establish long-term political stability in Turkey. Therefore, the military leadership of the 1980-1983 period set out to create a new party system, attempting to make a clean break with the past (Turan, 1991:80).

1983 GENERAL ELECTIONS AND THE EMERGENCE OF THE MOTHERLAND PARTY

Shortly after the ban was repealed on May 16, 1983, several new parties emerged in the Turkish political scene. Two of these, the Nationalist Democracy Party (Milliyetçi Demokrasi Partisi- MDP) led by General Turgut Sunalp and the Populist Party (Halkçı Parti- HP) under Necdet Calp, were formed with the encouragement of the generals. The MDP was a party of the centre-right and the latter of the centre-left. A third party, the Motherland Party was established under the leadership of Turgut Özal, who, as noted, had been in charge of formulating

and implementing the economic stabilisation program and austerity measures demanded and aided by the IMF. He was, first, under-secretary in the Justice Party government during the period immediately preceding the military coup and then served as Deputy Prime Minister for nearly two years under the military regime. Because of his close relations with international monetary institutions, promotion of Turgut Özal to his new post was quite expected.

The November 1983 general elections in Turkey marked the beginning of a very significant era in the history of the country, because the ANAP initiated a campaign to solve the ongoing political crisis and economic crisis. In fact, this crisis can be traced back to as early as the 1970s, and probably even to the 1960s, during which time the gap between the political left and the right widened. As Ahmet Evin (1994: 23) has argued, “the return of a civilian government in 1983 did not constitute a significant step toward the “civilianisation” of politics; it was the beginning of a process that would gain momentum later in the decade”.

Ideology of the ANAP

Turgut Özal, in his speech after he had formed the party, claimed that, “the symbol of the party is the map of Turkey, ornamented by honeycombs and honeybee. The

¹ For further information on the laws regulating the party formation and activities see, Özbudun, Ergun, 1995. “Siyasi Partiler ve Demokrasi,” (Political Parties and Democracy) in *Siyasi Partiler ve Demokrasi* (Symposium), Tesav Yayınları.

bee represents hard-working, and the honeycombs represent the prosperity spreading out to any corner of the country. Our party is based on the values of nationalism, conservatism, social justice and free-market. Our party will be the voice of the moderate (*ılımlı*) right, and no extremist values can find a place in our party²” (Tuncer, 1987: 17).

When the founders of the ANAP are considered, it is observed that with the effect of the political ban on the pre-existing political parties and politicians, the majority of them are new comers to Turkish politics. They are mostly from the private sector. Nevertheless, there are representatives of both the moderate left and the extremist right and among the religiously oriented the moderates and hard-liners. In other words, there is not a unified main characteristic among founders.

The most prominent figure in the party; Turgut Özal is an illustrative example to this varying nature of the founders. Turgut Özal started his career from the top bureaucracy of the State Planning Organisation in 1969 and continued with the top bureaucracy of the Prime Ministry in 1979 for the Second Nationalist Front government. His first attempt to enter to politics was in 1977, when he ran for the general elections as İzmir candidate of the National Salvation Party. Yet, it remained only an attempt. He worked for the private sector and served as the president of the MESS (Employers Unions) which is well known with its clear position in rejecting any agreement with Labour Unions. As it is seen, his

² Here and after, translations are done by the author

background was quite diverse, both liberal –working in the private sector and presidency of the MESS, and close relations with Demirel governments- and conservative –candidature from the Nationalist Salvation Party.

The ANAP stated that its success in the 1983 general elections was based on its inclusive structure, which encompassed four different political orientations. This strategy was quite successful because the most important problem of the 1970s was political polarisation and unrest. The party tried to develop a new ideological system by harmonising all the contradictory elements of the traditional but previously polarised ideologies and strove for the formation of an “organic ideology” (Tünay, 1993: 21). The very salutation of the party, bringing the hands above the head, was the symbol of this unifying characteristic of the party. This inclusive characteristic of the ANAP shows that Turgut Özal and the top leaders of the party had driven the necessary pragmatic lessons from the 1970s political arena. Although it is stated that the political ideology of the ANAP is a four-partite ideology, conservatism and liberalism were the most important ingredients of that ideology, which is worth evaluating further.

Political Conservatism

Conservatism of the party can be studied in two steps, the nationalist ideas of the party and the Islamism of the party. These two components constituted the

strongest legs of the party ideology, namely conservatism. Mustafa Taşar, who at the time was a MP of the ANAP from Gaziantep and a member of the Administrative Committee of Central Decision (Merkez Karar Yönetim Kurulu), defined the conservatism of the party, in an interview with me in 1998, as followings: “Our understanding of conservatism denotes fidelity to our national (*milli*) and moral (*ahlaki*) values, to our culture (*kültür*) and history, and to our traditions (*gelenekler*). Our understanding of conservatism is the conservation of what is good and valuable; this does not mean that we are against progress and change. On the contrary, our sacred target is a more civilised, prosperous and strong Turkey, open to progress and advancement. Progress and betterment can only be achieved by conforming to the time-old values. It is the only way to construct a building without demolishing the existing one. The progress, we are proposing, therefore, will be an honourable one”.

Nationalist ideas of the party are stated in the party documents as follows: “The nationalism of the party is to defend the indivisible territorial integrity of the country, the republic and the democracy as they are defined in the Constitution. At the centre of the nationalism of the ANAP, lies Atatürkist nationalism. We consider nationalism as a cement that is the only guarantee of the future of the Turkish nation, originating from the love and respect of its people, accomplished by the loving the country, fermented by culture, matured by consciousness of history and symbolised by the national flag. The idea of nationalism that had been pursued by Atatürk, will be the most important engine and accelerator of progress

as its body and spirit, and it will draw on the non-material borders of the development”(Report of the Ordinary Small Congress of the Motherland Party). In 1998, As Abdulkadir Baş, at that time Deputy Chair of the ANAP, has claimed in an interview with me, “we are nationalist but it is not the nationalism of the Nationalist Action Party (Milliyetçi Hareket Partisi-MHP) that brings about unrest within society, and is against the modern world. Our understanding is based on being a citizen of Turkey, and seeing the interest of the country as superior over any particular interest and concern.”

A strong stress on Islamic values was one of the most important characteristics of the ANAP. Together with the nationalist sentiments, the party represented a compact at the same “modern version” of the ideology of conservatism. Abdulkadir Baş differentiates the notion of Islam in the ANAP and in the Nationalist Salvation Party, as follows: “we are conservatives but we are not behind the times, narrow-minded, and old-fashioned on the religious issue”

Social and political unrest in society would be calmed with such an inclusive and constructive ideology: “The increasing polarisation of Turkish political life in the 1970s created opportunities for existing religious trends to be pushed even further” (Salt, 1995: 15). The ANAP saw religion as a necessary antidote to the polarisation of the 1970s. They used the religious theme to set a higher identity over other identities to form a compact whole in society. As Turgut Özal pointed out in an interview with Mustafa Çalık in 1992 “Our society represents a volunteer compact

unity with the effect of Islam and this unity is the most important factor in constructing an identity as it was in the period of the Ottoman Empire. We could be able to construct a higher identity over different ethnic differences. It is religion that brings together the Muslims in Anatolia and Balkans. Islam has been a cement among different ethnic groups...being Turkish has been associated with being Muslim” (Özal, 1992: 17). For that purpose, religious instruction at schools was made compulsory rather than elective. Article 24 of the Constitution of 1982 stipulates that, education in religion and ethics shall be conducted under state supervision and control. Instruction in religious culture and moral education shall be compulsory in the curricula of primary and secondary schools. No one shall be allowed to exploit or abuse religion or religious feelings, or things held sacred by religion in any manner whatsoever, for the purpose of personal and political influence or for even partially basing the fundamental social, economic, political and legal order of the State on religious tenets.

Turgut Özal, after the 1983 general election, repeatedly stressed the importance of religious values in the formation of Turkish nationalism. During the Özal government, foreign relations with Islamic countries got warmer. Turkey began to play an important role in the affairs of the Organisation of the Islamic Conference (OIC). Turgut Özal emphasised the importance of the Islamic world, and stated that “many countries now look upon Turkey as the leader of the Islamic world” (Turkish (Ankara) Daily News, 22 March 1984: 1). Many of the deputies of the ANAP have had close relations with the *tarikats* (religious brotherhood); Turgut

Özal himself was proud of his close relations with the *Nakşibendis* (Yüzyıl, 1990: 1). Before the 1983 general elections, Turgut Özal picked every ANAP candidate for parliament deliberately from different ideologies in order to bring people of different persuasions under the same roof. He had also formed a deliberate alliance with organised religious groups that enabled the party to establish a virtual monopoly over the religious vote (Ayata, 1996: 44). As Heper (1991: 50-51) states, “the ANAP tried to develop a synthesis between Islamic values and pragmatic rationality, through reconciling the former cultural orientations with the requisites of economic growth and Western democracy. In the 1980s, Islam began to be rediscovered by the Turkish elites and became embedded in the policies which emphasised the market forces, the privatisation of state enterprises, and the de-centralisation of government”.

The ideology of “conservative nationalism” (Özal, 1987: 137) (*muhafazakar milliyetçilik*) can be defined as a variant of the nationalism of the 1970s. The ANAP constituted a synthesis between nationalism and Islamic values. As noted, Salt has called the ideology of the party as ‘nationalist-Islamic’ (Salt, 1995: 15). Since, conservative, and/or Islamic nationalism would discriminate only against the revolutionary left, it could articulate the interests of different groups into a compact whole. This idea was very important to solve the economic and political crisis left over from the 1970s. In order to bring together as many people as possible under the ideology of the party, Özal used the concept of *ortadirek* or literally, “the central pole of the nomad’s tent”, to denote small agricultural

producers, workers, government employees, craftsman and artisans which were symbolically taken to constitute the centre of Turkish society. In time, this concept of *ortadirek* turned out to be just a strategy and rhetoric; while Özal was trying to include every segments of society under the party program, he was really interested with the interests of capitalist class in society.

In the ideology of the ANAP, individual- family-society relations are considered conservatively stemming from the Islamic values and rationality stemming from Özal's engineering formation. Therefore, Islamist engineers were trying to combine the values of conservative domestic culture and the rationality of modern Western culture. (Göle, 1992: 53).

Family, according to the Party, was so important to deem it, "the base of our nation" and the traditions were regarded as "play[ing] a pre-eminent role in the preservation of our family structure". Family is believed and expressed repeatedly as the guarantee for the coming generations respecting our moral and national values.

Economic Liberalism

The ANAP government accused the previous governments of being too closed in international relations and the economic sphere. Özal pointed out that "In the

previous years, Turkish politicians were pursuing closed policies both in international relations and economic terms. They were hesitating to be open to the international arena and trying to build a wall around Turkey. Closed society and closed economy in turn leads to an isolated Turkey. With the ANAP, we aim to change these closed policies and we succeed to an extent. Not only in the international sphere, but some economic changes were held, because, being open to the international environment politically necessitates a strong market economy. For this purpose we indulge in a series of both political and economic reforms” (Özal: 1985: 20). This change from the state-led economy to free market economy started by the January 24, 1980 economic program and actually was followed by the military government of the coup. The ANAP government by further dedicating itself to that program came to the political agenda with the motto of ‘freer market, smaller state’.

The January 24, 1980 economic program brought about a drastic shift towards the primacy of the individual and the market economy. It espoused the idea that the individual was much more important and privileged than the state. Liberalisation attempts during 1980-1986 were introduced as a part of a Stabilisation Program. After more than seven years of uninterrupted implementation of the program, the results were mixed: remarkable achievements paralleled by complete failures. The rate of growth of the Gross National Product (GNP) that averaged 5.1 per cent during 1981-1986 was considered as a positive sign for improvement when compared to the stagnation during 1978-1980 (World Currency Yearbook, 1987:

837). However, it was not higher than the previous two decades. The growth of these years was replaced with the fluctuations in the second half of the decade and a sharp reduction by 1989. According to Fikret Şenses (1988: 11-12), more significant was an extraordinary growth in exports, which increased (in billion dollars) from 2.9 in 1980 to 5.7 in 1982 and 7.5 in 1986. This was accompanied by a sharp shift in export composition toward manufactures and by market expansion to include Middle Eastern and North African countries. This shift in the export orientation showed itself in the GNP as well. The share of exports in GNP increased from 3.8 percent during 1977-79 to 13.6 percent during 1983-86. This increase in the export rates was an instrument in keeping the current account deficit at a modest level.

However, these 'betterments' did not bring about a sharp decline in inflation. It is true that the inflation rate decreased to 27 percent in 1982 from 107 percent in 1980. Yet, it again became three digits by the end of the decade. It follows that the short-term successes of the stabilisation program were followed by acute problems by the end of the decade.

On the other hand, these were sufficient for considerable improvement in the country's credit-worthiness in the international financial community. External credits from a variety of sources, most notably from the OECD, IMF, World Bank, certain OPEC countries, and the international banking community, provided much of the balance of payments support. In time, external debts became an irritating

problem in the economy. In 1980, before the adoption of the stabilisation program, Turkey's external debt was around \$16 billion. Ten years later it was more than doubled – to \$42.8 billion or slightly over 50 percent of the GNP.

Boratav (1990:199-200) argues that changing and redefining the policy parameters regulating and shaping income distribution against labour was a major goal of the structural adjustment program of the 1980s although this was not one of the openly stated objectives of the program. Evidently relations of distribution had shifted dramatically in favour of capital and against labour during the 1980s. This result is directly determined by the income policy model of the 1980s, which can be characterised as authoritarian, anti-labour and anti-union. The economic policies during the martial law following the 1980 coup, union activities and collective bargaining were severely restricted, strikes were banned, and DISK, the Confederation of Revolutionary Trade Unions, was closed. Moreover, for four years, wage levels were determined by the government-controlled High Board of Arbitration. The Board set wages systematically and consistently below annual inflation rates.

As a result, changes with the January 24, 1980 program go beyond mere quantitative movements in economic values. The regulations modified radically the relations of distribution and this was a qualitative transformation. There was a shift from the state-led economy towards the more market-oriented economy. However, this transformation did not occur within a short time period. The party

was supporting the controlled change and the military was just a step behind the ANAP government. That means both the political and economic policies of the party were under tight scrutiny. Perhaps with the affect of the conservative values of the party and/or with the effect of the political environment of the time, the proposed changes in the economic activities took place in accordance with a step by step strategy in order not to disturb both the opposing sections in society and the more conservative supporters and participants of the party.

Reliable empirical findings show that the 1980s witnessed the evolution of a distinct maturity within the bourgeoisie, whose class interests became dominant over other conflicting interests. It has been argued that, the overall anti-labour and pro-capital orientation of the economic policies of the period had been the unifying force behind the bourgeoisie and resulted in the mobilisation of massive moral, ideological and material support provided by all segments of the business community first to Junta, and later to the Motherland Party (Boratav, 1990: 225).

These negative results of the stabilisation program, indeed, were not the unexpected results of the project because this program never aimed at an egalitarian income distribution. "Both Özal and the party program repeatedly declared that the economy should be understood in its technical content, meaning no economic policy could be conducted with welfarism, egalitarian income distribution political consideration and so forth" (Tünay, 1993: 22). Therefore the economy had its own laws. This was perhaps the first time that the economy had

priority over politics. Economic policies were legitimised by claiming that these policies were going to promote the future interests of society. Ideologically, economic liberalism and political liberalism were separated from each other.

According to Özal, economic liberalism was to bring political liberalism. “If there is controlled and strong etatist economy in any country, one can not speak of the full existence of freedom of expression and freedom of the press... The reason why we support a free market competition system is that it paves the way for freedoms in expression”(Özal, 1992: 11). He explained political freedoms in economic terms. Ideas were like goods in the market. The supporters of the ideas were firms. Suppliers of that particular good anticipated demands from customers. If a particular good in the market could not find demand then, that firm was destined to go bankrupt. An idea could not be rejected a priori before it entered the market: “If you label an idea deserving freedom of expression and if you label another not fit for that freedom, this would not be compatible with economic liberalism.... Freedom of expression and free market mechanism should co-exist” (Özal, 1992: 11). Free competition and the free market was advertised as the best environment for freedom of the press and expression of thoughts.

The ANAP was, on the one hand a new fact, and on the other hand a strange combination of previously clashing ideologies. It could have been the best way to accommodate the military and negotiate with it. The party was functional in legitimating military intervention; and at the same time it was seen as an

opposition to the military by some sections of society. Özal nurtured both sides: the military and those who opposed the military. The ANAP served as a kind of revolt against the rule of the military. On the other hand, the military although they had not give full consent before the elections, realised that the Motherland Party would implement their policies and aims: political restructuring based on the ideal of harmonious society, economic restructuring based on the ideal of market-oriented economy. As for the economic considerations, the Motherland Party was a strict follower of the January, 24 economic program and this is natural because that program had been prepared by Turgut Özal. When the political targets are considered, both military and the ANAP regarded the revolutionary left-wing groups and labour unions as the major problems that had locked the system.

The ANAP clearly tried to constitute a new hegemonic project after the 1980 military coup d'état. In order to get ideological appeal, the Motherland Party incorporated into its national-popular agenda several new issues such as anti-statism, privatisation, the two-nation project, a liberal-competitive individualism and apparently contradictory Islamic capitalist free enterprise.

The State, the Society and the Economy

The role attributed to the state is worth focusing on because an important shift in this issue came into the agenda with the introduction of the 24 January, 1980

economic stabilisation program and further guaranteed by the policies of the ANAP government. This issue can best be dealt with under two subtitles; the state in the economic realm and the state in the social realm. The change in the role granted to the state is because of economic and social problems of the 1970s. The deep economic crises of the 1970s necessitated the reformulation of the relation between the state and the economy in the 1980s, and the political polarisation and social unrest in society necessitated a different type of relation between the state and society.

In the economic realm, a remarkable shift of philosophy occurred concerning the role of the state in economic affairs. The structural program of the 24 January represented a fundamental break with the policies of the previous decades. The ANAP was against the direct intervention of the state in economy. Turgut Özal and the top leaders of the party encouraged private entrepreneurship and attempted to leave the market to its own devices. "The main role of the state in economic progress is allocative. The state should encourage the private entrepreneur and co-ordinate the economic relations of individuals and institutions. The state is there to solve the problems which may arise between the economic entities, and more importantly to set up an economic environment for the better functioning of the market by issuing laws that are not frequently changed" (Özal, 1983a: 50). The state in the economic realm supported by the ANAP is, therefore, a night-watchman state; not intervening but correcting and allocating.

In the 1980s, the role of the state in the social realm was seen as that of the construction and preservation of peace and trust among different groups in the society. Formation of a peculiar idea of justice was another important task of the state. There arose a different understanding of justice, since the moral values were determining in the society and since the notion of public good had a privileged status over the private one. The notion of justice implied virtue. The state provided for the unity, security, and order of the nation, and preserves a healthy environment for social and economic activities. Co-ordination and allocation of justice, trust, aid, social service and activity were the main tasks of the state: "The aim is not the wealth of the nation as a result of wealth of the state, but the wealth of the state via the wealth of the nation" (Party Program:11). "[I]f the state engages in the facilities that a citizen could do, then the state cannot fulfil its own tasks. The state cannot be a shopkeeper. We have seen the examples of that in ...[the] past and we have witnessed the failure of those policies" (Özal: 1986:?). The state should be rolled back and the individual should be rolled forward. The concrete structures are the individual and society; the state and nation are only abstract terms. At the centre of society, there lies the individual. "The coming century is that of the individual" (Özal, 1992: 23).

"We have to make the state smaller. A smaller state does not mean that the state will not be able to act. On the contrary, the state should be small and strong... The proportion of the state expenses in the national economy should not exceed 30

percent. The strong state does not mean the state having too many officials. The state is not a father or God. The state is not the solution of unemployment. A strong state has less but able and elite officials” (Özal, 1992). This understanding is a differentiating feature of the Özal government. The term elite officials refers the “princes” of Turgut Özal; a small group of high level bureaucrats having extra administrative power.

In sum, the process of liberalisation of the economy and the “neutralising and reintegration, if not eliminating, the anti system tendencies on the right” (Ergüder, 1991: 565) –and primarily on the left- called for a strong state. Existence of a strong state implies a state distinct from society. Political struggles in society diminish and people become only interested in the economic activities. The political one turns out to be a profession and that sphere is believed to be those who are talented to be a politicians. The political, economic and the social domains began to be thought as compartmentalised in and after the 1980s. The state was conceptualised as strong and limited and one that stands above the society. No more regime critiques were allowed and only some micro-level policy critiques were acceptable “for the high interest of the nation”.

After 1987

In 1987, the political ban over the politicians of the 1970s was removed in the referendum with a 51 percent “yes” vote. This percentage was encouraging for

Turgut Özal to go to an early election, with a new election system with which the ANAP got the 36 percent of the votes and 65 percent of the seats. Following the general elections, Turgut Ozal was elected as the President after Kenan Evren. The next leader of the ANAP and Prime Minister was Yildirim Akbulut for two years. In 1990 congress, Mesut Yilmaz became the party leader after Yildirim Akbulut.

At the end of 1987, the available indicators of Turkey's most extensively and radically planned and implemented orthodox structural adjustment program pointed out two major areas of concern for the policy-makers. First, there seemed to be an emerging socio-political consensus that the distributional aspects of the adjustment program required a more sensitive policy treatment in the future, which was likely to decrease the scope of reactions resulting in the future erosion of real incomes of unprotected groups in society. Second, the economic recovery and adjustment process needed to be transformed into a sustainable growth process to meet the pressing employment requirements of Turkey's rapidly expanding labour force (Celasun, 1990: 379).

Apart from the failure in decreasing the inflation rate, the program had poor concern for unemployment and income distribution. Unemployment had risen from 14.0 percent in 1979 to 16.8 percent in the period of 1982-86. This rise in unemployment could be explained with reference to the objective of increasing the efficiency of State Economic Enterprises (SEEs), which had been generally tried to be achieved by combating with the so-called overstaffing. In spite of the

insufficiency in available data, it is evident that the income distribution became worse in the following year of the 1980 program. Consequently, together with the rise in unemployment, fall in real wages and salaries affected social life unfavourably.

With the 1987 general elections the ANAP made a change in its strategy. It may be more correct to say that it was forced to shift its ideology. The end of the 1980s was markedly different from the beginning in terms of both national and international prospects for Turkey.

When Özal became president in 1989, the hidden struggle between the liberals and conservatives in the party sharpened. There began a new phase in the ideology of the party with overemphasis on free economy and under-emphasis on the conservative values of religion and tradition. Although Özal supported his wife's candidature for the ANAP leadership in Istanbul province, the conservatives were defeated both in Istanbul and more importantly in the national congress of the party in which the leader of the liberal wing in the party, Mesut Yılmaz, was elected as party chairman.

This change in party politics has been discussed in relation to the individual characteristics of Mesut Yılmaz and Turgut Özal. However, in analysing the ANAP, this paper suggests analysing the ANAP should trace the party politics as a whole but not a compact one. There might be -and actually is- shifts in the

ideology of the party, Özal obviously affected the party ideology as the founder of the party, but this does not mean that after Özal a radical change had occurred because of personal characteristics of Mesut Yılmaz. Yılmaz tried to hold the party together for this aim he in his speeches, pointed out both the importance of religion and conservatism and the liberalisation of the economy. “Liberalism without balanced conservatism leads to anarchy, conservatism without balanced with nationalism leads to a sharia state (*din devleti*)” (Yılmaz, 1991).

The change in the ideology came about, because of the ambiguous characteristics of the party ideology from its beginning. The party elite had been divided into two separate segments; the liberal wing and the conservative wing each informed by an explicit ideology. Concerning certain issues, the tension between these two strands could be expected concerning some issues. This tension with the catalysing effect of the political opposition became increasingly more pronounced in the second half of the 1980s. Ziya Öniş (1992: 13) analyses the situation as “the tension between the two groups ... manifested itself in the context of the economic strategy. The “liberal view” in close association with the “new bureaucratic elites” wished to proceed with the program of economic liberalisation while at the same time maintaining monetary and fiscal discipline. The “conservative wing,” in contrast, favoured using the discretionary powers of the states as an instrument for broadening the electoral base of the party itself. These sets of pressures help to illuminate why the government has increasingly relaxed fiscal discipline and followed an expansionary strategy in the post-1982 phase”. According to Öniş, all

this had nothing to do with the change of the leader; significant here were the internal characteristics of the ANAP itself. Since the party has two poles one being conservative and the other being liberal, witnessing some shifts of the place where the party ideology stands should be expected. One time one group may be more dominant in the formation of the party ideology and another time the other group may be decisive in the party ideology.

In sum, the shift to an export promotion development strategy with the January 24 economic program, the reconstitution of law and order with the 1981 Constitution, the progressively worsening income distribution with the ban on the activities of the labour unions, and the emergence of market-based individualism were among the most striking developments that paved the way for a new political and socio-economic restructuring and equilibrium in the 1980s. These problems and changes affected the social, economic and political spheres of the 1990s. On the one hand the IMF-directed policies secured Turkey's further integration into the world economic system, while on the other hand, a new political alliance has formed showing similarities in its ideological stance and specific strategies those of Reaganism and Thatcherism. This issue will be the basic concern of the following chapters.

Chapter Three

THE ANAP WITH ITS INTERNATIONAL RELATIVES

Turgut Özal himself has compared his politics with what he thinks was happening in Britain and the United States:

“In the 1970s, leftist movements were dominant in politics, especially leftist philosophy was hegemonic. Sometimes, leftist parties were losing the political power in the elections, but dominance of the leftist ideologies in philosophy was remaining as it is. However, with the 1980s, some evident changes have occurred. The direction of these changes was towards the individual, free enterprise, and the market economy. When Thatcher in Britain came to power, it was the first important political shift. Then Reagan in the United States and Christian Democrats in Germany came to power, and an important, world-wide effective movement has begun” (Özal, 1992: 8).

The 1980s in Britain and the United States was accepted widely in the literature as the incarnations of the New Right ideology. There might be some differences between the practices of the Thatcher government and Reagan government. This does not, however, refute the idea that the ideas and doctrines of the New Right have strongly affected, since both the New Right ideology and the Thatcher and Reagan governments seek to overcome the economic, political hence hegemonic

crises of the late 1970s. Therefore, in this chapter, I shall do a comparative analysis between Britain, the United States and the Turkey in the 1980s. By referring the former two under the title some specific issues, the main objective is to explore the general and specific characteristics of the 1980s under the rule of the ANAP government.

Political Objectives

As a political project, the ANAP had two overriding objectives: to introduce market liberalism and to create the conditions for free market economy by limiting the scope of the state in the economic realm; to restore a harmonious social environment by restoring the authority of the government. The first objective was deliberately promising to set out an alternative political regime that had not been established. The second objective was a solution to the specific political condition of the 1970s but behind that, there was the idea of restructuring the society *via* regulating it by the authority of the government.

The crisis of British regime fused with the crisis of the world economy and crisis of social democratic governments created a deep crisis of hegemony in Britain. It was in this atmosphere that the project of Thatcher gained acceptance. The impulse behind Thatcherism was the need to restore the government's authority and reverse the decline of the economy (Gamble, 1988:37). Thatcher government

defined the problems of the 1970s as the overloaded state which was considered as the cause of economic problems and weak government bringing about the political problems.

In the United State of the late 1970s, state policies were criticised of undermining promise of interest group pluralism, since the state serves for the reallocation of the resources *via* welfare services and expenses. Therefore, there arose a kind of legitimation loss accompanied by the declining economic performance and fiscal crises. This situation forced the political right to develop an alternative legitimating political-economic ideology of “market liberalism” (Smith, 1988:167). Reaganite policies in the economic, political and the social realms sought to establish an alternative hegemonic project opposing the liberal legacies of the 1960s: expanded welfare, the politicisation of the race and gender issues around the civil rights and women’s movements, and the gains of organised labour (Helvacioğlu, 1991, 149). They believed that “...environmentalism, arms control, gun control, abortion rights, gay rights, feminism, welfare, affirmative action, pornography and the Equal Rights Amendment all fostered a destructive “permissiveness” that undermined the value of family, church, and work” (Schaller, 1992:23).

Thatcher in Britain and Reagan in the United States had the objective of reforming politics and economy. Both leaders blamed the Welfare State expenses as the main cause of the economic crises. Moreover as the state got bigger in the

1970s, it lost its ability to control the society. Therefore, another significant objective of both leaders was to construct the authority of the government framing the society.

The problems and the political objectives of the Reagan government in the United States and Thatcher government in Britain depict a resemblance with those of the Turkish case. The division between the capital and the labour became clearer and it has begun to be questioned. The restlessness in the society, in the end, paved the way to a legitimization crisis. All criticisms of the 1970s concluded that the United States' and Britain's political systems were in crisis. The lack of legitimacy was to be solved by an authoritarian strong government and the economic problems were to be combated by introducing a smaller state in the economy, that is, by cutting both the welfare expenses and tax rates.

As Gamble has argued, the problems in the 1970s occurred at the world-wide level, and all governments in the mid-1970s and early 1980s were forced to adopt similar crises packages to deal with similar problems (Gamble, 1988: 14-15). Proving Gamble's idea, when one considers the political objectives of the Özal government with those of the Reagan and Thatcher governments, it is possible to identify unavoidable resemblances. This is because, the economic crisis of the 1970s was a global crisis of the capitalist system. Everywhere, the problem was almost the same, and the proposed solutions for the problems were similar. Although the propositions for solution depict some resemblance, the way they

were conducted might differ because of specific, but not unique, characteristics of the politics and economics in these countries.

Leadership

Personality of the leader interestingly became important for the politics of the 1980s. The electoral triumph of the Motherland party in 1983 was so marked that it focused the attention on the personality of Turgut Özal. Furthermore, the term Özalism has begun to be used by academics, journalists and politicians. Özal was one of the very few Turkish political leaders whose name has been used to denote a particular ideology, political style, leadership and political program. Moreover following period is considered to be affected by the ideology of that period.

This personification is not valid only for Turkey. Other political leaders who identify him/herself with the ideas of the New Right had the same image. Thatcherism in Britain and Reaganism in the United States were two of the most prominent examples.

"The widespread use of the term 'Thatcherism' ...came to stand for the distinctive ideology, political style, and programme of policies of the British Conservative Party after Margaret Thatcher was elected leader in the 1975" (Gamble, 1998: 1).

Thatcher as the leader of her party became a dominant figure of the 1980s with her individuality.

Ronald Reagan has been considered as a strong leader in the literature, but this is not to say that, the Thatcher profile and the Reagan profile will be more of the same. In the case of Thatcher we had to penetrate an emphasis on difference, dominance, self-assertion and realism. In Reagan's case the basic notions should be unities, sentiment, dreams, myths but the hidden side of Reagan is self-assertion, ambition and anger. Reaganism had been, first and foremost, an attack on 'weak' leadership (Little, 1988:120-121). In this sense, Özal's characteristics as a leader seem closer to those of Reagan, however, Thatcher's emphasis on difference was not alien to Özal. His party structure was based on hierarchy and highly dominated by the leader.

Although, these names have been used to understand the events in the 1980s, these policies are not be reducible to the personal projects of a single individual because they were not created by one person and what happened in the 1980s was not only a change in the style of leadership but also in policies and programs. Obviously, Özal, Thatcher, and Reagan had personal contributions and these were important. Nevertheless, an analysis of those policies which only concentrates on the individual characteristics of these leaders would seriously be inadequate. It is true that these leaders intentionally identified the policies with their personalities, and they used their position as leaders to promote the spread of those ideas. However,

the changes of the decade concerned were the results of the intellectual climate rather than individuals. Thus, the shape, style and the pace of the changes have been strongly influenced by the leaders but not the direction of those changes (Ashford, 1987: 25).

Strong leadership is the supplementary notion of the New Right. The political message was: install a strong leader and expect to work or get out of the way. The conservative position rests on the belief that in any society [and surely in any party] there are recognisable superior persons whose inherited standards and values and position ought to be protected and who should have a greater influence on public affairs than others (Hayek, 1960: 402).

Labour, Capital and Need for Inequality

In Turkey, Özal government was informed both by the ‘chaotic’ situation of the late 1970s and supported by the military. There was already widely accepted 1982 Constitution makers of which “did not envisage a model of pluralistic politics in which trade unions, voluntary associations, and public professional organisations played an open and active role in politics (Özbudun, 1991: 42). The Constitution was binding moreover supporting the post-1980 policies. Nevertheless, even if the Constitution had not been such, end result of economic liberalism of the ANAP government would have been considerable interference with the rights and

freedoms of unions. They attempted to rationalise the economic system essentially along the lines of TÜSİAD (The Industrialists and Businessmen Association of Turkey). The government provided direct support to the exporters through tax exemptions and low-cost credits. Big industrialist that could find markets abroad would have benefited from those policies (Arat, 1991, 142).

As noted, the January 24, 1980 economic decisions, represented a shift from Import Substitution Industrialisation (ISI) to Export Oriented Industrialisation (EOI). Therefore, after 1980, exports were considered to be a very significant activity for Turkey in being more productive. Although the state was considered to be detrimental to the market when it interfered, export incentives were widely practised especially after the 1984. A number of the export incentive mechanisms have been invented: credits from the Central Bank, credits from the Turkey Export Credit Bank/ Türk Eximbank, tax incentives (low rates or exemptions for export goods), in-cash support from off-budget resources. Among these credit practises, off-budget resources were set up in the second half of the 1980s. The idea behind the export incentives was that given money would return back to the budget in the future. However, this aim could not be succeeded because, for instance available data show that the rate of increase in the total incentive expenditures is three times larger than the rate of increase in the total export between the years 1980 and 1987. Moreover the gap between exports and import widened between the years 1978/9 and 1985 as shown in the tables below.

Table 1. Export Incentives (1980-1987) Million TL.

Years	Total Incentives	Total Export
1980	4.905	221.498
1981	24.653	530.716
1982	86.816	937.310
1983	148.990	1298.945
1984	329.060	2608.331
1985	332.768	4152.927
1986	736.271	5012.346
1987	662.195	8884.331

Source: Aktan, 1992: 100

Table 2. Export and Import Amounts

	1978/79 average	1985
Export (million \$)	2275	7959
Import (million \$)	4834	11613
Deficit (million \$)	2559	3654

Source: Boratav, 1988: 128.

In Turkey the allocation of the resources in the 1980s changed drastically. Especially, share of the salaries in the GNP has declined. Between 1980 and 1988, prices of the indispensable consumption goods have risen between 12 to 55 times, while, the reel wage index in 1988 decreased to 43.7, if it is accepted as 100 in 1979. (Berksoy, 1989: 2; Boratav, 1988: 133; Güçlü and Bilen, 1995: 165-166). This meant a drastic decline in the purchasing power of the wage earner.

On the one hand, the share of the labour was continuously diminishing, on the other hand, the share of the capitalist class denoted by the interests rates, rents in

the Gross National product has been increased. In the 1980s the economic policies were based on low wage.

In Thatcherism, hierarchy was the basic characteristics of the system. Ranking was according to productiveness and usefulness but not according to need. There are workers and unemployed, there are savers who sacrifice their own good for the good of the whole and spenders who pursue only her own interest. The Nation was divided into two: productive/parasite³, North/South. For this reason the project of Thatcher was labelled as “Two-nation project” (Jessop et. all. 1987: 55-58). Margaret Thatcher had been an opponent of extra-parliamentary movements and obviously the target number one is the union movements. Direct actions to the decision taking mechanisms were seen as ‘guerrilla action’ (Little: 1988: 95), anarchic and intolerable. As noted, the labour part of the balance was blamed to be guilty, especially the organised labour, but on the other hand, capital part of the balance was seen to be the only solution. The result was the state supporting the capital and excluding the labour. Thatcher stated the importance of inequality for the well being of the nation.

The off-budget funds were encountered in Britain too. The acronym “QUANGO” (Quasi Autonomous National Government Organisations) has been used to denote off-budget funds. Philip Holland, who was a member of the parliament working on QUANGOs criticised this practice. Holland (1979:3) claimed that nobody

exactly knew the number of QUANGOs, the number of workers employed in these, and more importantly, how much these QUANGOs spent.

Concerning the case in the United State, James Bennett and Thomas Di Lorenzo (1983: 6) claimed that the formation of the off-budget public sector in that country led to abuse of the state resources for political benefit and gain. In the United States, the statistical data for off-budget funds cannot be reached or they are intentionally hidden.

Although, the main frame of the policies matches in three of the governments, when the speeches of the leaders are concerned, there are some differences in the stress on the need for inequality. In these three governments the Thatcher government was more open in its speeches, but Reagan as well openly –but not as clear as Thatcher- cited the importance of the capital owners for the United States. One of his main attacks in the election campaigns was high tax rate, because high tax rates would be a burden on the productive segments. However, the taxation system should be accepted as one of the significant mechanisms of the redistribution of wealth. President Carter was arguing that the taxes should be high in order to combat with the high inflation. But Reagan argues in TV that;

“High tax rates don’t lower prices. They raise them. In the 1970s, taxes grew faster than any other item in the household budget- including the price of energy. High tax rates discourage work and production. They added to the cost of living. If we make a deep cut in everyone’s tax rate,

³ here the term ‘parasite’ does not only refer poor segments of society, but it also denotes the unprofitable economic activities of public and private sector.

we'll have lower prices, an increase in production, and a lot more peace of mind" (cited in Evans and Novak, 1981: 61)

Behind his speech, there lies the idea of taking the burden from the back of the rich. How can one drive at this conclusion? This is because, which part of the society can be productive if the taxes would be lower, the immediate answer is the owner of the capital, because, those who live on wages, can not be productive in the sense of the investment. Reagan, therefore, had the ideas similar to Thatcher's but he did not have enough courage to utter the main idea behind his speeches. Özal's objectives were, in this case, are much more hidden. He is far from openly stating his main aim. On the contrary, he seemed to be on the side of the labour, by his well-known term *orta-direk*. He repeatedly claimed that he included each and every section of the society. But he was quite critical about the 'concessions' given to the organised labour. In his memoirs, this can be seen clearly, after he had become president, the main disputes with both Mesut Yılmaz and Yıldırım Akbulut, were on the rises in the wages and agreements with the labour unions. Özal pointed out that, The biggest mistake of Yıldırım Akbulut was the acceptance of the increase in the salaries of the Zonguldak mine-workers. After Yıldırım Akbulut, Mesut Yılmaz did the same thing. He signed a harsh agreement with the workers. This was very dangerous and false. He had a mistake because he did not ask me beforehand (cited in Tokatlı, 1999: 223). After Mesut Yılmaz had been elected as the party leader, many people think that the relation between Yılmaz and Özal would be closer, but the result was the opposite. Especially, about the

contracts between the labour unions agreed by Yılmaz annoyed Özal very much (Tokatlı, 1999: 223).

In three of the concerned countries, governments of the 1980s blamed the 'concessions' given the labour union and/or welfare expenses for the poor in the 1970s as one of the main causes of the economic crises. Therefore, these governments tried to exclude those parts from their agenda. State was not to back the poor; on the contrary, in order to make the rich more productive, the state was to provide incentives for the rich.

This policy can be seen in Turkey, in Britain, and in the United States. The basic assumption in this policy is that, the inequality should not be avoided. Moreover, it should be accepted, for a nation to be successful, the state should accept the existence of inequality, and adjust the pace to the fastest one not the slowest one. If the slowest one cannot reach the rest then the state cannot do anything about that. The aim was to make the government leaner and stronger, better able to help the fastest for being freer in its economic activities and more productive and strong against populist aspirations. The market was to be freed up to produce wealth for one and all.

Bureaucratic Change and Local Governments

Another important shift of the Turkish political structure with the government of the ANAP was the change in the bureaucratic formation. The ANAP decided to bring about a combination of political and administrative decentralisation. Its view was that devolving powers to the localities would both promote democracy and make delivery of more and better services possible. From 1984 onward, in a number of urban centres, two-tiered metropolitan municipalities were established. These municipalities were provided with significant powers and relatively ample financial resources.

This change in the municipal structure in Turkey is very significant. The ANAP government preferred to promote construction and housing sectors to revitalise the Turkish economy *via* activating the municipalities during the 1980s.

Having blamed the previous governments for letting and supporting a state that spread itself too thin, Özal aimed to set up a new small, young, and able tightly-knit governing stratum that decides and acts for itself and excludes the participation of the others. The ANAP government aimed to penetrate into the bureaucracy. So-called 'princes' of Özal replaced the top level traditional bureaucrats. By doing so, the range of decision making sphere of central government would remain narrow. Much was left as the responsibility of local

government and these structures were not directly controlled from the centre; instead the central government came to rely on various informal mechanisms for ensuring the collaboration of local authorities with the program of the centre. To put it differently, the state actors, both bureaucratic and political elites became relatively autonomous in choosing and imposing the measures that they see as immediate and for the benefit of the society.

Half of this strategy was witnessed in the Conservative Party government in Britain. “the formula developed by the Conservatives was to maintain the authority of the state by protecting the autonomy of the circles of top decision-makers from the pressures of democracy. This was attempted not only for those parts of the state outside the government, such as the judiciary and the armed forces, but also for the cabinet and the higher civil servants” (Gamble, 1998: 169). In the central government, decision making actors became lesser in quantity and the decision making process was left to the high-bureaucrats, but in Britain this has not meant the increased importance of the local government as it was the case in Turkey; in Britain decisions were taken in the central government by a small group of able bureaucrats.

In the United States, Ronald Reagan fully appreciated the value of decentralised government. He thought that federalism would be the only way to solve most of the problems of the 1970s because according to him, federalism fosters social harmony since it reduces government to a manageable scale and makes citizen

participation more readily accessible; federalism promotes civic responsibility by fostering citizen participation; federalism provides diversity and allows for local considerations in problem solving; and more importantly, federalism fosters accountability because responsibilities are sorted out, with a national government focusing on national problems, and local governments handling their own local problems, the system does not become overloaded and congested (Williamson, 1990:1). Reagan's own experience as the governor of California had greatly strengthen his beliefs in the urgent need to decentralise power. Decentralisation was an issue often raised in the 1980 campaign. He said "I don't believe in big, centralised federal government. I believe that the federal government has attempted to do far too many things. ...that there are federal programs that should be returned to the states, along with the tax resources to pay for them. I believe that the federal government is too interventionist (Reagan, 1980, cited in Drew, 1981: 110).

In the United States, decentralisation of power was pursued more determined than both in Turkey and in England. In this issue the United States depict a specific character away from the essence of the New Right ideology, because what should be decentralised was not power but only activities. Behind this strategy there lies the same idea used against the Keynesian welfare state that the more loaded the decision making organ gets, the weaker it becomes.

Minimal state and the strong government was the motto of this change in the bureaucratic structure. It idea that the smaller the decision making organs gets, the stronger and the more effective it becomes. It becomes stronger because in time, political elite and the bureaucratic elite were identified with reference to the other one. In Turkey, the prime minister surrounded by a limited number of ministers of state, special advisors, and high-level bureaucrats became the real locus of decision making (Heper,1989). The power which modern democracy possesses would be even more intolerable in the hands of some small elite.

State and the Economy

Limited state was seen to be the only way to overcome the ongoing economic crises of the late 1970s. Both the World Bank and IMF supported the attempts to limit the scope of the state activities in the developing countries. In another words, the notion of smaller state was almost invented globally against the economic problems.

Reagan, Thatcher and Özal too openly and repeatedly stated that the state should be smaller for the well-being of the people since it paved the way for the free activity of the market. The states however, did not become smaller. On the contrary, they have become bigger and bigger.

In Turkey, in 1980 according to the documents of the State Planning Organisation the ratio of the public expenditure to GNP was 33.1 percent. This ratio has become larger during the 1980s and it reached to 39.2 percent in 1992. The ANAP having more devoted program to the limited state than any of the pre-existing parties has made the state bigger. Between 1980-1990, size of the state (increase in the state budget) has got larger 23.0 percent on average. The same ratio became 24 percent on average between 1980-1992. These numbers show that Özal could not limit the state on the contrary, it has got bigger (Aktan, 1994: 22).

Welfare Expenditures / GNP is an important indicator to explore the size of the state. While in 1970, in Britain, this ratio was 4 percent, in 1975 it reached to 29 percent. Following Britain the United States has the same path: 8.2 percent in 1950, 18.7 percent in 1980. Vural Fuat Savaş (1994: 13) claims that the ratio of Welfare Expenses to GNP in Britain and in the United States continued to be high, although these were efforts render it smaller during the 1990s. Gray maintains that

Government in Britain and the United States has never, even at its smallest, been minimum state of classical liberal doctrine. ...a century and more of interventionism has built up needs and expectations which must be addressed, and it is a mistake to suppose that every move from status quo in the direction of earlier forms of limited government represent an unequivocal improvement. Again developments wholly external to the growth of government – exogenous changes such as technological innovation and the emergence of a truly global market – render the project

of returning to the limited state of early nineteenth century Britain an exercise in anachronism” (Gray, 1993: 6).

Hence, although liberal understanding of the New Right envisages the limited state and the strong government for the creation and continuation of the ‘Great Society’, these policies cannot be sustainable. There are two reasons for that: the first reason is the strong effect of the conservative view on economy that is, the conservative feels safe and content only if he assured that some higher wisdom watches and supervises change, only if he knows that some authority is charged with keeping the change “orderly” (Hayek, 1960: 400). This is closely related to two characteristics of conservatism: its fondness for authority and its lack of understanding of economic forces. The second reason was/is that, the market in the capitalist system has its inherent contradictions to which the state is there to redirect. Therefore, the market is destined to be intervened in the capitalist system and the state cannot stand as a separate and static entity merely monitoring the system from outside. On the contrary, whatever its main goal is, the state should intervene in the market for the reproduction of the capitalist relations. It can be stated that it is fairly difficult to restrict the power and ability of the state to intervene in the market and society. Even the reverse is true and this is both unavoidable and necessary for the system’s survival.

Chapter Four

CONCLUSION

The year 1980 represents a remarkable shift in Turkish politics. In that year, a significant twist has occurred in Turkey concerning the role of the state both in economic and social affairs. Generally, when the year 1980 is considered as a turning point, scholars pay relatively less attention to the January 24, 1980. In this study, I have focused on this economic program more than the military intervention. With the introduction of the January 24, 1980 economic decisions, economic structure shifted towards the export-oriented industrialisation from import substitution industrialisation. This economic change was accompanied by the important change in the political understanding.

In the 1970s and 1960s political left and the political right were in continuous conflict. Organised labour was quite active with its determined strikes during the 1970s. Right-wing extremist, as well, was active in their demonstrations against

the leftist extremists. The political environment of the 1970s can best be described by the phrases of 'polarisation of polity' and 'politicisation of society'. In this essay, I have examined the Turkish politics of the 1980s with respect to the ideology of the New Right.

The New Right

The New Right has two traditionally conflicting strands; liberalism and conservatism. Liberalism and conservatism in the New Right have been incorporated into each other but have not constituted a compact ideology. Therefore, instead of "neo-liberalism" or "neo-conservatism", I prefer to use the phrase New Right, because, "neo-liberalism" and "neo-conservatism" differ only rhetorically but the essence under the rhetoric is the same. Liberalism and conservatism in their traditional forms contradict each other on several issues. However, the New Right is not a mere addition of liberalism to conservatism but a sort of evolution from their traditional frames. Conservatism and liberalism in the New Right are very different from that to which these names have been traditionally attached. On the one hand, primacy of the market and necessity of limited state were conserved. On the other hand, importance of traditions, religion, family and national identity, and, for the construction and preservation of these institutions, the idea of strong government became a part of the New Right ideology.

The New Right has made peace between age-old rival ideologies. This new coalition was not an accident; it was wisely formed, on the one hand, rolling back the state in the economy would cause some disruption in social life, and, on the other hand, resort to conservatism would lessen the negative social influences of the change. Conservatism is thus, the *sine qua non* of this alignment and it renders the ideology viable. Rather than defending the status quo like the old right, those subscribing to the New Right are for a change in the economic power structure. Arguing that true conservatives could not be complacent and simply hold the line against further change, Paul Weyrich (cited in Short, 1989:130) has noted, “We have to take a turn in the other direction. The New Right does not want to conserve, we want to change, we are the forces of change” but not that of drastic change. Conservatism in the New Right has never been a backward-looking doctrine. The tension between conservatives and liberals is not the direction of the change but the pace of it (Hayek, 1960: 398).

The state, within the frameworks of the New Right understanding, should be limited in the sense that the state should not provide the services which individuals can conduct. Following is one of the most often made claims of the proponents of the New Right: “[t]he growth of the size of the state in the post-war period has come about through inadequate constitutional mechanisms that have allowed the state to become burdened with tasks which would not be permitted by orthodox liberal public-good theory” (Barry, 1987: 67).

In order to overcome the economic crises of the late 1970s the New Right proposed that the state should be rolled back from the economic affairs, because if the state intervenes the economy then the spontaneity of the market would be adversely affected. However, the ideology of the New Right do not support the strong laissez-faire economy, “[t]here should be intervention to preserve the rules and procedures of the competitive system itself, not to interfere with the working of that system. Government control should not be used to steer the economy in any particular direction, except to prevent spontaneous development from proceeding in a way which would be destructive of the price mechanism” (Barry, 1987: 181). The state should be there to correct the market failures in case of need but it should not be an actor in the economy as it had been supported by Keynesian economics. The state can only be symbolised as a guardian or night-watch-man in the New Right ideology.

The New Right defines the political terms such as freedom, equality, participation and democracy, with the terminology of economics. If one talks about with the same terminology, following points may be made. The New Right has been a successful **new** commodity, supplied to the right market by well-advertised suppliers. Suppliers of this **new** commodity brought together the previously existing two unplanted inventory: liberalism and conservatism. These two commodities have faced with the problem of excess supply.

In the 1980s, there was no substitute for this **new** commodity. And the market share of this commodity has become very large in the market with the help of well-organised advertisements and package. Indeed, with adding two previously existing but mutually exclusive commodities, the new product gained a new ingredient. This new product was not mere addition of the previous products. The supplier of this new product indeed, had been the monopoly company of the 1970s. The old product had lost its market share because of some underestimated by-products of the consumption of it. Therefore, the monopoly company of the 1970s, went under a process of product differentiation with the same infrastructure.

ÖZALISM

Turgut Özal was appointed Deputy Prime Minister by the military regime. This position was not a surprise, because he was the architect of January 24, economic program as a higher civil servant during the Justice Party government. Moreover, he was in close contact with the international organisations, like the International Monetary Fund and the World Bank. Under the guidance of Turgut Özal, new economic policies were put into effect. The restructuring of political sphere was accompanied by the attempts at economic liberalisation.

Beginning with the January 24 economic program, the 1980s, witnessed an attempt to separate the political and economic realms. Political struggle was the business of the political parties in the parliament and the economic struggle was the business

of the labour and employer unions in the market. As in the New Right ideology, what was economic was not to be political and vice versa.

After three years of military rule, in November 1983, general elections were held and the victor of the election was the ANAP under the leadership of Turgut Özal. The ideology of the ANAP was based on four different political strands; nationalism, conservatism, social justice, and market economy, which made it easy for the ANAP to claim that the party was the representative of the whole society rather than a segment of it.

Özalism represents a sort of 'Middle Way' in the political strata. The party has been guided by the belief that the truth must lie somewhere between the extremes. Both liberals and conservatives agree on this 'Middle Way' understanding. Nationalism of the Party, for instance, was very different from patriotism, rather it is a deep attachment to national traditions. "It is this nationalistic bias which frequently provides the bridge from conservatism to collectivism: to think in terms of "our" industry or resource is only a short step away from demanding that these national assets be directed in the national interest" (Hayek, 1960: 405).

Özalism Compared with Thatcherism and Reaganism

Thatcherism and Reaganism are considered as two significant examples of the New Right ideology. To what extent Özalism resembled Thatcherism and Reaganism in the 1980s, a kind of comparative analyses is necessary.

The most important difference between the Turkish and the other two practices is regarding the emergence of the New Right in the three countries. In Turkey of the 1980s the military played an important role. The military placed a political ban on the political parties and politicians of the 1970s. None of the existing parties of the 1970s were allowed to run for the 1983 elections. In the 1983 elections, other than the ANAP, there were two other parties competed. They had the blessings of the military. Under the circumstances, the victory of the ANAP was not a surprise. He was representing both a reaction to the military from the side of the society, but for the military he was devoted to the targets of the military: the faith in January 24 program, in the depolarisation of politics and depoliticisation of society. Both in Britain and the United States, governments came to power via elections without any restrictions to any party. Concerning this matter, there was a significant difference between the Turkish case on the one hand, and the British and American cases.

The New Right ideology has not emerged out of nothing. The 1970s witnessed a crisis of the capitalist system. Social inequalities became so evident that criticisms were not merely directed towards political parties but also towards the political system itself. It was a hegemony crisis of the welfare state in Britain and in the United States and a crisis of the Kemalist Etatist modernisation project in Turkey. The solution for the economic and political crises in question was the introduction of a semi-authoritarian regimes, the Thatcher government in Britain, the Reagan government in the United States, and the Özal government in Turkey. When the 1970s are considered, the economic policies pursued in Turkey and in Britain and the United States were different, in the Turkish case, the economic policies cannot be considered as the Welfare State Policies. Indeed, it was state-led growth or import substitution industrialisation. In Britain and the United States, the economic policies could only be explained with reference to the Keynesian Welfare State. Although, the practises of the 1970s were different, the main characteristic resembles. The relation between the state and the economy in the Welfare State and State-led economy is based on the interventionist state in the economy whatever the reason. Interestingly, the practises of the 1970s both differ and resemble.

In these three countries, names of these leaders have been associated with the years and even the demise of their government period. This was partly because, they were help strong leadership. The notion of being strong in any sense was the key notion. The New Right defined the problem of the 1970s with reference to the

weakness of the social democratic state. States in the 1970s in these countries blamed to be too weak to resist the demands coming from interest groups. Thus, the New Right ideology demanded both a strong and a limited state. They have an Hegelian vision of a powerful sovereign state that stands above the conflict within the egoistic market society and impartially delivers law and order (Barry, 1987: 194). In order for the decision making institutions to be neutral, political decision making process was to be centralised and revolved around one person. In the bureaucracy, top professional-technocrat bureaucrats having autonomy and capability had the autonomy.

Although, the idea of rolling back of the state from the economy was set as the prime important target of the Thatcher, the Reagan and the Özal governments, the 1980s witnessed a redirecting the state activities in the economy. The main argument behind limiting the state was that state should no longer support the labour, that is, the 'unproductive' sections of the society, because, the expense for supporting the labour is a dead investment. If the same amount, even higher amount of money would be allocated to private enterprise, that is, those sections which were potentially then the money would return back to the budget.

Economic liberalism was the most important policy plank of the ANAP government. For the ANAP, economic liberalism was very important, because it would pave the way for democratisation. Political liberalisation can only be achieved via economic liberalisation. Parallel with the Thatcher government and

the Reagan government, the ANAP governments considered different ideas as different commodities. If the consumer did not want to purchase that commodity then that commodity was destined to disappear from the market.

Everything in the market shared the same fate. As democracy too was considered from the same perspective, then freedom, equality and participation come to have some specific meanings. Freedom was defined as freedom to invest. Equality was defined as equality in opportunity. Participation could not be equated with demonstrations and strikes, because they were considered detrimental for the country since they were based on sectional interests. Participation was defined as participation in economic affairs. Participation of the masses in politics would have degenerated the neutrality of the state institutions and the decision-making institutions.

According to the New Right ideology, the market had its own rules; these rules sometimes necessitated swallowing bitter pills by the each segment of the society. Since the state had a superior place *vis-a-vis* the society, then the activities of the state could not be for the benefit of only one segment. The bitter pills were to be swallowed by everybody. In Thatcherite rhetoric this discourse took the form of “future benefits will follow from present suffering” or “we are only obeying the dictates of the science of economics”. The New Right considered political liberalism as a second step following the economic liberalism.

As noted, the state in the ideology of the New Right was to play a minimal role in the economic domain. However, affected by the national tradition, the state in Turkey could not become smaller; on the contrary, the state got bigger in terms of public expenditure in the 1980s. The strong state tradition in Turkey, was an important impediment for the ANAP to achieve its objective (Heper, 1992a, 1992b). Interestingly, in the 1980s, public expenditures in Britain and in the United States too went up.

Another important characteristics specific for Turkey was that, since the ANAP choose not to challenge the military and since the political problems of the 1970s were attributed to political polarisation, the Özal government was quite inclusive in its discourse. Since not all political parties were allowed to compete in the 1983 elections, a populist discourse was used in order to have the support for the following election at which in all probability the political parties of the 1970s were going to run. The discourse of the Özal government was, therefore, circumstanced by such circumstances, while both the Thatcher and Reagan administrations were not under such constraints. The latter did not hesitate to exclude some segments of the society in their politics. In brief, although, the economic and political objectives of the three governments resembled each other, in practise some differences could be observed because of the specificity of the national circumstances.

The Implications of Özalism for Turkish Polity

During the 1980s, identity politics interestingly has become important with the impact of the New Right ideology (Özkazanç, 1995: 1218). Rather than identities being defined in economic terms, cultural identities based on individualist methodology, have become the focal point the literature of the 1980s. That is because, cultural differences were reified and economic differences were overlooked.

One of the most significant examples of this strategy was the drastic change in the policies towards the Kurds. Turgut Özal took this as a cultural rather than economic issue. The ANAP governments perceived the Kurdish problem as that of demand for the recognition of specific rights. The government did not go further than giving some new cultural rights to the Kurds such as usage of Kurdish language in the public sphere. In other words the economic side of the problem has left untouched. Turgut Özal himself, suggested that the option of the federation should be debated. This should not be misunderstood as if he was for the federation option; but he just wanted every option to be discussed.

Other than the Kurdish problem, the Turkish public sphere was introduced with many new actors like environmentalists, gays and lesbians, religious people, and repressed women (Göle, 1992: 50). This was a new case for the Turkish politics. These new identities have emerged with the claim that their identities should be

accepted as equal to the others. In the 1980s, with the help of the mass media, these issues became topical. Class struggle in the 1980s have become marginal and the discussions have twisted towards the new identities. It is claimed that class struggle can not be the solution for the management of the complex societies. Micro-scale struggles have taken the place of the macro-scale struggles. Therefore, the 1980s witnesses a successful attempt to diminish the potential in the society (Sakallıoğlu, 1995:76) *via* imposing imaginary struggles of identities.

The shift from the state-led growth to the market and private sector oriented growth considerably affected political culture. As market economy was seen so much indispensable that every side of life of an individual was considered as s/he is an entrepreneur in the market. The shift from the statist tradition to homo-economicus led to the insertion into political culture of such relevant values. For instance, the notion of “devoted to ones political ambitions (*dava adamı*)” has left its place to the “getting things done effectively⁴ (*işbitirici*)” in evaluating the politicians. The latter one has become more preferable than the former one in the post-1980 period.

Consensus and toleration have begun to be the two defining key terms of the post-1980 period. Following these, criticisms towards the system as a whole have diminished and instead, the criticisms have been directed to individual policies.

⁴ “getting things done effectively” is the only one face of the medallion, on the other side, there is “getting things done at all costs”. While people do thing “effectively”, they have begun to do them “at all costs”. Moreover, the second way has become preferable.

The political arena in the end has become narrower and politics has been understood merely administrative (Sakallioglu, 1995: 69). The New Right in general and the ANAP in particular presented themselves as indispensable and therefore, alternative-less. The New Right claims validity free from space and time because. Nothing can be considered wrong about a free market following its own rules sometimes with the aid of a neutral and impartial state.

Harmony was considered necessary for the “Great Society”. Policies between the 1960s and the 1970s were blamed for disturbing the national harmony. The hegemonic ideology of the 1980s and 1990s is the idea of “the end of ideology”. Indeed, this is the powerful ideology to gather the each part of the society under one umbrella. Both in the documents of the ANAP and in the speeches of the party’s leaders, pragmatism rather than idealism was emphasised. Voters were encouraged to pay attention to such concrete policies as value-added tax, municipality services, Turkey-European Economic Community relations. For the supporters of the party, specific policies rather than ideology began to have the prime importance.

The effectiveness of the New Right was not because it developed a theoretically original and a productive point of view or it maintained functional solutions for the problems of the age. On the contrary, it took the attentions away from the system choked by the problems, and it normalised living with the problems, and legitimised the insensitivity of the system towards the dissatisfactions, in that

means, (the success of the New Right) is because it encapsulates a strong conservative strand providing the above provided solution to the system (Pekel, 1994: 21). This policy could be succeeded through implying that the state and the economy are two separate spheres and the problems of the each sphere can only be solved within that sphere. Put it simply, the economic problems of the 1980s were not the problems of the political power since in the 1980s the state has become limited. This statement was the legitimising idea of the economic problems of the 1980s.

This study paves the way for a new study on the 1990s. a question can be asked after such a study; whether the 1990s represents a brake with the 1980s or the 1990s witnessed just a change in the actor of the New Right ideology. Therefore, this study poses another question that is the 1980s can be explained with reference to the New Right then what can be the defining ideology of the 1990s in Turkish politics.

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