BUSINESS NOTIONS OF DEMOCRACY
THE TURKISH EXPERIENCE IN THE 1990s

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The Infant Bourgeoisie Model

Marxist accounts of state-bourgeoisie relations in Turkey and in the Third World have usually relied on what can be called as the "infant bourgeoisie model", which parallels the well-known "infant industry model" of development economics. According to the infant bourgeoisie model, the non-communist modernising states in the Third World set out for themselves the task of creating a national bourgeoisie. To that effect, state aid of all sorts and types has been mobilised. The first such aid was no doubt the intimidation, suppression and sometimes outright expulsion of foreign capitalists and of those capitalists (mostly belonging to ethnic and religious minorities) who were declared as "foreign" by the nationalist ideology of the modernising state. A second, equally effective political instrument of the state for the sake of sheltering the national bourgeoisie was the stifling of left-wing unionism and political activism through a variety of legal and paralegal measures. Among the widely used economic policies for the purpose of nourishing the newly emerging national bourgeoisies were the provision of cheap credits and tax concessions to private firms, the state's purchasing of the goods and services produced by the private sector, and the erection of tariff walls for the protection of national industries from foreign competition.

The national bourgeoisie thus created was expected to displace foreign capitalists and their internal collaborators (the much-despised compradors) from the economy and polity of the country and be the natural ally of the state in its strategy of national development. The national bourgeoisie would always remain in a politically subordinate position vis-à-vis the state bureaucracy, never aspiring to play the leading role in the game. Contrary to the basic Marxist thesis that the state in a normal capitalist society was nothing but a political instrument of the bourgeoisie, this state-dependent bourgeoisie turned out to be an economic instrument of the state. In other words, in the specific historical conditions of Third World capitalism the relative power positions of the state and the bourgeoisie were reversed. This historical "anomaly", the infant bourgeoisie model has asserted, showed
signs of crumbling once the bourgeoisie has achieved a certain level of development and began to challenge the political tutelage of the state bureaucracy. However, the bourgeoisie's struggle to gain its independence from the state and subdue the latter to its political will did not follow a brief, smooth and linear path, and it was marked by a series of setbacks, reversals and retractions.

The Turkish Bourgeoisie’s Struggles for Autonomy from the State

In the specific case of Turkey, the process of the bourgeoisie’s gaining its autonomy from the bureaucracy and placing the latter under its political control started half a century ago, in the immediate aftermath of the Second World War, and it still remains an unfulfilled project today. For the sake of explanatory simplicity, this process can be divided into two stages, the first one covering the Cold War years from 1946 to 1989 and the second one the post-Cold War period since 1989. In both stages, despite occasional appeals to the military for putting the house in order, maintaining the basic framework of a multiparty regime has remained the bourgeoisie’s primary tactical instrument for reaching its strategic goal, namely gaining its political independence from the state and imposing its political will upon the latter. A bureaucratic authoritarianism, whether of a civilian or military variety, was essentially a regime over which the bourgeoisie had little or no control, and it could only be tolerated when it appeared to be the only way for suppressing radical anti-systemic movements. Democracy, on the other hand, provided the bourgeoisie with a regime dominated by civilian political actors, particularly from the centre-right mainstream of postwar Turkish politics, who were much more sympathetic towards bourgeois demands and interests. In both stages, one indispensable policy instrument of the Turkish bourgeoisie in its attempt to keep the democratic regime intact was to try to link the Turkish state with the international organisations of the democratic Western world: the USA and NATO in the first stage, and Western Europe and the European Union in the second. By so doing, the Turkish bourgeoisie aimed at securing the help of the powerful Western bourgeoisies to make up for its internal weaknesses and to place a tight external discipline on the domestic behaviour of the Turkish bureaucracy. The type of democracy demanded and defended by the bourgeoisie also changed from the first to the second stage. During the first stage, in line with the Cold War thinking emanating from the USA, the Turkish bourgeoisie’s conception of democracy did not go beyond the basics of political democracy: a relatively unfettered party competition, regular elections, and a limited freedom of speech. Moreover, this rather elemental understanding of political democracy did not exclude occasional appeals to the
military to intervene in times of acute political crisis, provided that military rule
did not institutionalise and the soldiers returned to their barracks after they hade
made the necessary corrections in the regime. The bourgeoisie itself, and its
conception of democracy, underwent significant changes in the second stage,
right after the collapse of the Soviet system and the beginning of the post-Cold
War years. By the end of the 1980s, big businessmen and their professional
associations, most particularly TÜSIAD, have come forward with loudly
expressed demands for the expansion of political liberalization and for the
deepening of democratisation. Businessmen began to voice their demands
and offer their solutions regarding such taboo issues as the incorporation
of the Islamic and Kurdish political movements into the system. To that end,
business associations organised panel discussions and conferences, issued
public statements in the national and international media, lobbied
governments and lawmakers, and officially sponsored the publication of a
number of widely publicized reports in which they presented their own
diagnoses of the problems and offered possible remedies. The peak point of
the pro-democratic politicization of the big business was no doubt the
founding in December 1994 of a liberal political party, the YDH (Yeni
Demokrasi Hareketi -- New Democracy Movement), under the leadership of
Cem Boyner, a major textile industrialist and an ex-chairman of TÜSIAD.

At this point, the following questions need to be raised: Why did the
businessmen choose the tactical method of deepening democratic rights and
freedoms, if their strategic goal was to tighten their hold over the state
bureaucracy and the political class? What motivated them to perceive that
the best method of imposing their institutional control over the political and
bureaucratic decision-makers of the country was to liberalise and
democratise the regime? What kind of democracy did they prefer?

Democratisation and Membership in the European Union

The single most important factor that significantly heightened the
democratic consciousness of the Turkish business class and mobilised them
for the cause of democratisation in the post-Cold War era was no doubt the
prospect of Turkey’s integration with the European Union. Turkish
businessmen have been among the prime backers of Turkey’s accession to

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1 Türk Sanayici ve Isadamları Dernegi (Turkish Industrialists’ and Businessmen’s Association).
2 The fairly radical policy proposals of the YDH, especially in the Kurdish question, could not
receive the backing of the majority of businessmen and Boyner himself left the party after its
miserable performance in the 1995 general elections. Shortly after Boyner’s resignation, the
YDH dissolved itself and merged with the other political party.
the EU, for economic as well as political reasons. The economic reasons behind the businessmen’s almost unconditional support for Turkey’s EU membership are not difficult to see: More than half of Turkey’s exports have been directed to EU member states; the bulk of foreign capital investments in Turkey have been of EU origin; and a great majority of tourists visiting Turkey each year have been from the EU countries. The political reasons behind the business support for Turkey’s full integration with the EU have been no less important. To put it in a nutshell, EU membership would compel the insensitive bureaucracy and the entrenched political class of Turkey to undertake the much needed political and economic reforms, which would have been (and were) easily ignored had they been voiced by domestic interest groups only. Hence, politically, EU membership would mean forcing a tight foreign discipline upon the behaviour of the Turkish ruling circles. Moreover, accession to the EU would have greatly reduced political uncertainty inside Turkey and thereby it would have created a much safer investment environment for domestic as well as foreign capital. For these reasons Turkish businessmen have lined up behind the EU cause. But the way leading towards EU membership passed through democratisation. Indeed, various official resolutions of the highest EU organs have made it clear that Turkey had to pass a number of democratic tests before she qualified as a candidate for EU membership. The best known of the democratic preconditions for accession to the EU were formulated in the June 1993 Copenhagen meeting of the European Council. In its Copenhagen meeting, the European Council adopted the following criteria for membership to be applied to all the aspiring countries: stable institutions guaranteeing democracy, the rule of law, human rights and the protection of minorities; the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union; and the ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union. The final resolutions of the Agenda 2000 report of the European Commission, dated July 1997, and the decisions of the European Council in its December 1997 meeting in Luxembourg, specified these general political preconditions for candidacy for the case of Turkey. Thus, the European Commission’s Agenda 2000 report made the following observations and recommendations regarding the democratisation process in Turkey:

...Turkey’s record on upholding the rights of the individual and freedom of expression falls well short of standards in the EU. In combating terrorism in

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the south-east, Turkey needs to exercise restraint, to make greater efforts to uphold the rule of law and human rights and to find a civil and not a military solution. Persistent cases of torture, disappearances and extra-judicial executions, notwithstanding repeated official statements of the government’s commitment to ending such practices, put into question the extent to which the authorities are able to monitor and control the activities of the security forces. Recent developments in the administration and the education system, while intended to strengthen secularism, nonetheless underline the particular role of the military in Turkish society. The National Security Council has a special role under the Constitution in the formulation and implementation of national security policy and the Council of Ministers is required to give priority to its decisions. There are ambiguities in the Turkish legal system with regard to civilian political control of the military.4

Based on the above-mentioned remarks of the European Commission, the European Council’s Luxembourg summit formulated “A European Strategy for Turkey” in which it stated the following political prerequisites of Turkey’s candidacy for membership in the EU:

... The European Council recalls that strengthening Turkey’s links with the European Union also depends on that country’s pursuit of the political and economic reforms on which it has embarked, including the alignment of human rights standards and practices on those in force in the European Union; respect for and protection of minorities; the establishment of satisfactory and stable relations between Greece and Turkey; the settlement of disputes, in particular by legal process, including the International Court of Justice; and support for negotiations under the aegis of the UN on a political settlement in Cyprus on the basis of the relevant UN Security Council Resolutions.5

It was for this reason that the Turkish business class, at the level of individuals, firms and associations, wholeheartedly embraced the cause of democratisation. On the other hand, as their economic, social and cultural contacts with their counterparts in the EU countries have intensified by the early 1980s, Turkish businessmen and business associations have been socialised into democratic norms and values and into the democratic forms of conflict resolution. This type of democratic training through contacts with European businesses has also played an important role in motivating the

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Turkish business class towards supporting democratic reforms. Examples of business promotion of the cause of democracy in order to facilitate Turkey’s EU membership can be found in the various speeches and public statements of businessmen, as well as in some much publicised reports sponsored and published by the most influential business associations of Turkey. In one of its official statements regarding Turkish-EU relations TÜSİAD made it clear that if Turkey wants to become a member of the EU, then she “must unequivocally commit itself to reform its democratic regime and judiciary system; to adopt a comprehensive approach to solve its foreign policy problems; … [and] to redefine its policy-making procedures in order to emphasise the involvement of the civil society’s representative organisations…”6. The same line of argument, emphasising the importance of democratisation as a precondition of Turkey’s integration with the EU, can be found in TÜSİAD’s well-known report entitled as Türkiye’de Demokratiklesme Perspektifleri (Perspectives on Democratisation in Turkey).7 In their preface to the report, subtitled as "A Call for Contribution to Democracy", TÜSİAD’s Executive Council has said that: “Turkey's signing of the Customs Union agreement in 1995 has shown that integration with Europe has become a state policy. ... And everyone knows that integration with Europe requires the advancement of democracy in the political as well as economic life of the country. ... TÜSİAD has been mobilised for the goal of building the necessary democratic infrastructure which will provide a strong ground for Turkey's achievement of the level of development of advanced Western countries ... Turkey's future lies not in excluding herself from the world but in keeping up with the developments in the world. The world is lifting the barriers between itself and democracy. In our time, economic and political relations among countries cannot develop independently of democracy and human rights.”8

Both the above-mentioned report of TÜSİAD and an equally renowned report published previously by TOBB9 (1995) (Dogu Sorunu: Teshisler ve Tespitler [The Eastern Question: Diagnoses and Factual Observations])10 have argued that Turkish democracy must be expanded in such a way as to include a redefinition of citizenship and the constitutional recognition of the

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8 TÜSİAD, Demokratiklesme Perspektifleri, Preface.
9 Türkiye Odalar ve Borsalar Birligi (The Union of Chambers and Stock Exchanges of Turkey).
cultural rights of ethnic groups, in particular the Kurds. This type of argument has put the accent on the perceptions of political exclusion on the part of a sizeable portion of the Kurdish population, which has fuelled ethnonationalism and led many young Kurds to resort to non-democratic means, including joining armed guerilla movements, to achieve their goals. Both the TOBB report and the TÜSIAD report agreed on the urgent need for the legalisation of the right to use the Kurdish language in the public area, especially in education and in the media. The acceptance of cultural rights, the reports have argued, would facilitate the integration of the Kurds with the larger society and shrink the popular support base of ethnic separatism. There were, however, some differences between the solutions proposed by the two reports beyond that point. In addition to the granting of cultural rights, the TOBB report has also proposed the application of some type of regional autonomy model like the one in post-Franco Spain. The TÜSIAD report, on the other hand, has argued that the political integration of the Kurds and other ethnic groups via the constitutional recognition of their distinct cultural identities can be achieved without changing the unitary character of the Turkish state.\footnote{TOBB, \textit{Dogu Sorunu}, pp.111, 150-168; TÜSIAD, \textit{Demokratiklesme Perspektifleri}, pp.152-159.}

\textit{Democratisation and Disciplining the Bureaucratic Apparatus}

If the prospect of EU membership was the leading motive that has led the Turkish business class in the direction of democratisation, a second driving force was the expectation that democratisation, understood here in the narrow sense of institutional reform, would reduce the considerable autonomy of the bureaucracy and political class regarding the use of public resources, make bureaucrats and politicians more accountable to the general public, and ensure a meaningful participation of business associations and other civil society organs in the making and implementation of public policies. The most recent business declaration regarding the issue of bureaucratic reform can be found in a report published by TISK\footnote{Türkiye İşveren Sendikaları Konfederasyonu (The Turkish Confederation of Employers' Unions).} (1998) and entitled \textit{Degisim ve Devlet: Devletin Yeniden Tanımlanması ve Türkiye'de Devletin Yeniden Insasına Yönelik Strateji ve Aksiyon Önerileri (The State and Change: Redefining the State and Developing An Action Plan for Rebuilding the State in Turkey)}\footnote{TISK (Türkiye İşveren Sendikaları Konfederasyonu -- The Turkish Confederation of Employers' Unions). 1998. \textit{Degisim ve Devlet: Devletin Yeniden Tanımlanması ve Türkiye'de Devletin Yeniden Insasına Yönelik Strateji ve Aksiyon Önerileri (The State and Change:}}. "The existing structure of the state", argues
the TISK report, "coupled with the pressures stemming from the populist political system, wastes domestic savings, discourages foreign investment, and deters the entrepreneur from productive investment." Based on this critique of the existing state model, the report's central theme is decentralising public administration, strengthening local government, and increasing the quality and efficiency of bureaucratic services. The way to do this passes, according to the report, through subjecting politics and public administration to the logic of the economy. In particular, the report proposes an "economic constitution" to impose constitutional constraints (like the Maastricht criteria of the EU) on the economic policy-making powers of governments and the application of total quality management techniques to public administration in order to minimise bureaucratic incompetence, corruption and favouritism. Views supplementing the ones found in the TISK report have been voiced by other business figures. For example, Mesut Ölçal, Secretary General of the Gaziantep Chamber of Commerce, complained about the central bureaucracy's indifference to and ignorance of the demands and interests of provincial businessmen and proposed a comprehensive administrative decentralisation as the only remedy to the problem: “Unfortunately, the bureaucracy in Ankara has become very disturbing. We can in no way control the decisions made in Ankara. The bureaucrats sit in their bureaus in Ankara and take decisions about this region without knowing anything about its special conditions. Localisation seems to be the only remedy to this problem.” Tufan Darbaz, the Vice General Coordinator of the Sabanci Holding Company, has argued that a far-ranging privatisation of public enterprises is the only way for a meaningful curtailment of bureaucratic privileges: “The privatisation of state-owned industrial enterprises alone will not bring the desired results. State banks, state railways, the Soil Products Office, and other state economic enterprises too must be privatised. Only then will politics cease to dominate the economy.” Another concern of prime importance to businessmen was their total lack of control over how their tax monies were being spent by the bureaucrats in Ankara. Thus, Fuat Miras, the chairman of the Union of Chambers and Stock Exchanges (TOBB), says: “In Turkey, it is the businessmen and workers who pay the taxes, but those who pay the taxes could not bring those who spend their money to account for what they do. It

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Redefining the State and Developing An Action Plan For Rebuilding the State in Turkey). Prepared by Prof. Dr. Coskun Aktan, Ankara.

14 TISK, Degisim ve Devlet, pp. 5-7.
15 Interview with Mesut Ölçal by Seda Altug and Basak Tug. Gaziantep, August 20, 1998.
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is we who create the resources, but we don’t have any control over the use of these resources. This must change.”

Democratisation and Subordination of the Political Class

Leaders’ Oligarchy (liderler sultası or liderler oligarsisi) is a term often used by business circles to refer to the mediocre, inaccessible, unaccountable and self-perpetuating political class in Turkey. The primary goal of this entrenched political class has been to retain its privileges and prerogatives, often by lavish expenditures of public resources with the purpose of keeping their patronage networks intact. Thus, one expectation of businessmen from democratisation is to shake up this political class, transform it, and make it more representative of and responsive to business and other economic interests. This point of view can be found in the following words of Ishak Alaton, the chairman of the board of directors of the Alarko Holding Company: “Today in Turkey there are five leaders and five hundred fifty partisans. Mediocre leaders gather even more mediocre followers around themselves and thereby they want to ensure their security.” Alaton’s criticisms are shared by other business leaders, among them Mehmet Yildirim, chairman of the Istanbul Chamber of Commerce: “I do not think that party leaders are virtuous. A party leader who has continually lost elections in the last ten years is still at the head of his party. Our party leaders do not have the virtue of voluntarily leaving their posts when they are unsuccessful.” Finally, Yavuz Zeytinoglu, chairman of the board of directors of Zeytinoglu Holding Company, argues that the improper functioning of Turkish democracy promotes mediocrity and punishes efficiency: “Because in Turkey democracy does not function properly many undeserving people may rise to positions of power. And then they use this power that they have not deserved to do things that are diametrically opposed to the wishes of the majority. This brings about today’s chaos. Naturally, under these circumstances we the businessmen suffer the most. Because we need political stability in order to carry on our businesses in this country. We want stability.”

What kind of people do businessmen want to see in positions of power? One answer to this question has come from a joint declaration of five important business associations in Turkey. In their joint communique issued before the last general elections, the chairmen of the Istanbul Chamber of Industry, the Istanbul Chamber of Commerce, the

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17 Interview with Fuat Miras. Yeni Yüzyıl, 26 August 1998.
18 Interview with Ishak Alaton. Sabah, 10 May 1997.
19 Interview with Mehmet Yıldırım. Sabah, 10 May 1997.
Association of Turkish Clothing Manufacturers, the Turkish Exporters’ Union, and the Chamber of Maritime Commerce said: “The kind of people we want to see in politics must be honest, trustworthy and cooperative with civil society associations. They are expected to disengage the state from the economy, to collaborate with society in the making of economic decisions, and to ensure the establishment of real social control over the actions of the politicians. … The source of political rent must be dried. Politics must cease to be a place of fear which honest people avoid to enter; politics must be turned into an arena of competition for service to the public.”

Towards a Bourgeois Democratic State in Turkey?

What are the prospects of the establishment of a bourgeois democratic state in Turkey? In other words, is the infant bourgeoisie model’s prophecy being fulfilled in the Turkish case? An examination of some recent developments in the above mentioned three factors which account for the Turkish bourgeoisie’s commitment to democratisation in the post-Cold War period (namely, democratisation as a means of facilitating Turkey’s membership in the European Union, as a method of putting the bureaucracy under bourgeois discipline, and as a way of subordinating the political class to the will of the bourgeois class) shows that the transition to a bourgeois democratic state in Turkey is unlikely in the foreseeable future.

First of all, the defence of democratisation by business groups on the grounds that it is a prerequisite for Turkey’s integration with the EU disregards an uncontrollable external factor, namely the EU’s willingness to admit Turkey as a candidate for full membership. In other words, this way of defending democracy would become untenable once it became apparent that Turkey would not be able to join the EU in the foreseeable future. In fact, this possibility has become a near reality after the Luxembourg decisions of the European Council in December 1997. Once the European unwillingness to admit Turkey became clear, Turkish business circles raised their voices against what they termed as “the Luxembourg process” of the exclusion of Turkey from the project of European integration. For example, Ishak Alaton, one of the most outspoken business leaders of Turkey, in a meeting which brought together Turkish and European decision-makers and media figures, called on the European leaders to refrain from closing the doors of Europe to the Turks and abandoning the pro-democracy forces in Turkey”

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21 Yeni Yüzyıl, 12 October 1998.
human rights conditions in Turkey, is not willing to make the only tangible contribution of which it is capable to make to Turkish democratisation, namely the unequivocal admission of Turkey as a candidate for full membership.

The issue of the weakening of the powers of the bureaucracy and the prerogatives of the political class has not been without serious side-effects. First of all, the erosion of bureaucratic power beginning with the 1980s resulted not in the creation of a more efficient and subservient bureaucracy but in the emergence of various mafias which have filled the vacuum and started to perform, for a “price” naturally, many of the standard functions of the bureaucracy, from the enforcement of justice to the collection of debts. The following words of Hakki Gedik, a middle-size businessman, illustrate this point:

*People have no business ethics anymore. When the time to pay back their debts comes, they simply say “We won’t pay!” Mind you, it is not “We are not able to pay!”*, but “We will not pay!”. *What is worse, the police, the courts can’t do anything about it. Then come those tough guys and say “Man, give us ten billion and we are going to bring your money to you!”*. *I have never yielded to such people. However, when the state cannot guarantee people’s compliance with the contracts they sign, when the law cannot make sure that debts are be paid back, then I am afraid many businessmen will sooner or later have to knock at the doors of the mafia.*

The rapid degeneration of bureaucratic power has been accompanied in the 1990s by an equally fast erosion of the prestige of the political class, particularly on the centre-right. Many political leaders have been accused of corruption and have suffered a severe loss of credibility in the eyes of the general public. However, contrary to the optimistic expectations of business circles, the ensuing political vacuum has not been filled by more competent, honest and trustworthy centrist leaders and parties, be they on the right or on the left of the political spectrum. On the contrary, as the centre-right’s power dwindled (which is indicated, for example, by the dramatic fall of the combined electoral support for the centre-right parties from nearly fifty percent in 1991 to around twenty-five percent in 1999), it has been gradually replaced by the far right, both Islamist and ultra-nationalist. And the far right has not been particularly sympathetic, if not openly hostile, to the political demands of the business class. As the civilian political centre

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23 *Sabah*, 9 November 1998.
24 Note, for example, the electoral success of the Islamist *Refah Partisi* (Welfare Party) in 1995 (about 22% of the votes) and of the ultranationalist Nationalist Action Party in 1999 (around 18% of the votes). The combined voting support of the Islamist and ultranationalist parties has risen from nearly 30% in 1995 to slightly less than 35% in 1999.
shrank, the military re-asserted itself as the protector of centrist values, and business circles did not hesitate to line up behind the military. This, obviously, has further strengthened the already highly privileged position of the military in the Turkish political system, a fact which runs counter to one of the basic principles of democracy, i.e. civilian control over the military.

25 Note, for example, the lining up of the most influential business associations behind the military, when the latter started a campaign, in the spring of 1997, to overthrow the coalition government led by the Islamist Refah Partisi (Welfare Party). As an illustration of this business-military alliance see the declaration issued by the Union of Chambers and Stock Exchanges (TOBB) against “religious reaction” (Sabah, 15 May 1997).