

right thing at the right time. When nobody really wanted them to fight against inflation, politicians simply followed the popular sentiment and did nothing.¹⁴

CONCLUDING REMARKS

This article, concentrating on the purely economic aspects of Turkish inflation and neglecting all other social and human damages caused by the absence of a sound and stable national currency, tells but one side of the story. Yet, these other costs are probably more important in the long run. Two decades of high inflation have worsened the already unequal distribution of income, increased urban and rural unemployment and underemployment, and thus contributed to the erosion of the ethical and moral values of the society during a period of difficult social transformation. For the economist, Turkish inflation is a case study; for everyone else, it is much more.

Can we seriously expect the disinflation program to deliver results? Can we imagine Turkey with single digit inflation in only a few years time? The severity of the crisis and the impotence of economic policy in 1998 and 1999 have produced a new consensus to reduce inflation to reasonable levels. The answer is a qualified yes. ☪

¹⁴ There is a catch: lower-income groups might not have been satisfied with this turn of events. The three mainstream political parties that monopolized government during this period (Motherland, True Path and the Republican People's Party) have seen their combined share of the national vote fall from 70 percent in 1991 to 35 percent in 1999, with most of the defections taking place among the less affluent voters.

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Neoliberal Globalization and the Democracy Paradox: The Turkish General Elections of 1999

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"The deep sense of uncertainty and the feeling of rootlessness produced by globalization have clearly contributed to the rise of often authoritarian forms of identity politics to the center stage in the political arena."

Neoliberal globalization as a late 20th century phenomenon is an inherently contradictory process. It is a process that unleashes tremendous potential for economic growth driven by rapid technological progress, notably in the areas of communications and information technology and is associated with the opening of markets and the rapid expansion of trade and capital flows. At the same time, it is a highly uneven process that tends to aggravate inequality between as well as within countries, by favoring certain regions or social groups over others. The uneven nature of neoliberal globalization is also a reflection or even a by-product of the different speeds at which globalization occurs. It thus creates disproportionate benefits in favor of the industrialized countries of the North and the small number of semi-peripheral countries or emerging markets, such as Turkey, which are tied to the northern countries through north-south regional blocs. Significant parts of the developing world have been marginalized and left out of this process. Within individual countries, neoliberal globalization tends to create a group of winners who are able to take advantage of access to technology and integration with the world markets. Concurrently, it tends to create a group of losers, who lack the skills and the capacity to adapt themselves to the new environment and, hence, are excluded from its potential

benefits. Natural corollaries of this tendency are the growing differentiation within the national economy and the dichotomy of highly prosperous and declining, or stagnant, regions within the same national economic space.

The paradox of neoliberal globalization is that it unifies and integrates while it fragments and marginalizes. Globalization of the world economy finds its most complete form in financial markets; the process has been less thorough, however, in the areas of foreign direct investment and foreign trade. In the latter, in spite of significant recent moves to establish a free, multilateral world trading environment, striking elements of protectionism continue to exist and novel instruments of protectionism are created, notably in industrialized countries, in the form of labor and environmental and technical standards.¹

While financial globalization constitutes the most successful aspect of neoliberal globalization, labor mobility comprises the sphere where progress to date has been the most limited. Labor mobility applies largely to a sub-group of highly skilled employees. Unskilled or semi-skilled workers are usually confined to their national territories and look to their respective governments to improve their living standards.

The contradictory processes unleashed by neoliberal globalization thus places enormous strains and tensions on the state. In the aftermath of widespread privatization, as well as trade and capital account liberalization, many of the functions that the state has traditionally performed have become obsolete. This is not to argue that the state itself has no useful function to perform in the age of globalization. The state has to modify and adapt itself to the new environment and assume new responsibilities in such key areas as building human capital and technological infrastructure, maintaining macroeconomic stability, creating a competitive environment and regulating financial systems. The "competition state," which requires productive integration with the global economy, however, is a

¹ On the broad economic aspects of the contemporary globalization process and its inherently uneven character, see Paul O. Hirst and Grahame Thompson, *Globalization in Question* (Cambridge: Polity Press, 1996); Robert Boyer and Daniel Drache, eds., *States Against Markets: The Limits of Globalization* (London: Routledge, 1996); Susan Strange, *The Retreat of the State* (New York: Cambridge University Press, 1996) and Andrew Hurrell and Ngaire Woods, "Globalization and Inequality," *Millennium*, 24, no. 3 (1995) pp. 447-70.

state that possesses limited capacity to provide social welfare. Indeed, attempts to extend the boundaries of the welfare state may result in capital flight and stagnation in an environment where individual nations are competing fiercely to attract the available pool of global capital.

This article attempts to study the impact of neoliberal globalization on the process of democratization. First, I will discuss the conceptual relationship between neoliberal globalization and democratization. Then I will look at Turkey's specific experience with globalization and will identify some of its impacts on the Turkish economy. Next, I turn to the political question and examine how globalization has affected political outcomes. This section specifically analyzes the results of the 1999 election and the trend toward party fragmentation. The last section analyzes the impact of this fragmentation on Turkey's democratization process. The Turkish experience presents itself as an interesting case because Turkey, as a second-generation newly industrialized country (NIC) and an emerging market, has experienced both the positive and negative aspects of neoliberal globalization during the 1980s and 1990s. From a comparative perspective, the Turkish case also illustrates how the universal features of neoliberal globalization interact with certain specific national characteristics, such as the presence of a tradition of a strong, centralized state, which influences the process of socio-political development and the course of democratization within the national context.

NEOLIBERAL GLOBALIZATION AND THE DEMOCRACY PARADOX: A CONCEPTUAL FRAMEWORK

Does neoliberal globalization promote democracy, abstract democracy or both? This is a difficult question to answer. The relationship between globalization and democracy, or democratization, is a complex, ambiguous and contradictory one. In general, the impact of globalization on prospects for democratic governance in many parts of the world appears to be extremely favorable and prospects for democracy on a global scale indeed seem better than ever. Authoritarian regimes have been dismantled, or are in the process of being dismantled, in many parts of the developing world, notably in Latin America, East Asia and Eastern

Europe.² The current wave of economic globalization is resulting in Western-style, liberal and pluralistic polities, which set high standards regarding human rights. Increasingly, successful economic integration requires political reforms. Paradoxically, and in striking contrast to the Cold War era, transnational corporations and financial institutions are unwilling to invest in and lend to countries with authoritarian structures and weak human rights records. Authoritarian regimes are no longer justified on the grounds of stability or security, as in the past, and are increasingly associated with favoritism, lack of transparency and uncertainty. Transnational institutions like the World Bank place increasing emphasis on "good governance," suggesting that the development of strong and democratically accountable institutions have a critical role to play in successful economic development. Another striking element associated with contemporary patterns of globalization concerns the development of civil society and the proliferation of non-governmental organizations (NGOs). This is a process that manifests itself in industrial societies, and is also reflected, perhaps to a lesser extent, in the development of transnational NGOs. A positive correlation appears to exist between the development of civil society on a national or global basis and an extension of civil or human rights and freedom within individual countries.

Considering the arguments that I have presented thus far, it is not surprising that many people tend to conceptualize globalization and democratization as necessarily parallel, interchangeable and mutually reinforcing phenomena. The reality is more complex, however, and a deeper analysis would suggest that the relationship between globalization and democracy contains a dark, negative side along with the positive, favorable features mentioned above.

Associated with these patterns of globalization has been the emergence of nationalist and fundamentalist movements of various sorts, movements that tend to create enormous tensions during democratization. Authoritarian or exclusionary identity politics seem to be a necessary corollary of globalization, although the

² On the complex relationship between globalization and democratization, see James Mittelman, ed., *Globalization: Critical Perspectives* (Boulder, CO: Lynne Rienner, 1996) and John S. Dryzek, *Democracy in Capitalist Times: Ideals, Limits and Struggles* (New York: Oxford University Press, 1996). On a favorable assessment of the prospects for democratization, see Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman, OK and London: University of Oklahoma Press, 1991).

manifestations of such politics vary among countries. The growing influence of the far right in Western Europe, the spread of micro or ethno-nationalism in Eastern Europe and parts of Latin America and the resurgence of political Islam in the Middle East are arguably diverse national or regional representations of the same global tendency.³ From the perspective of political economy, this tendency is not difficult to explain. As suggested earlier, globalization is an intrinsically uneven process that dislocates individuals, uproots communities, creates unemployment and increases the degree of uncertainty in the lives of a growing number of individuals. Thus, globalization creates a large group of losers, and exclusionary identity politics based on race, religion or ethnic identity becomes a natural means whereby the losers of globalization protest, seek to recover their lost positions and try to re-establish a degree of stability and certainty in their lives.

In many cases, these groups or movements benefit from the emergence of a more pluralistic political environment. Ironically though, in many cases their own democratic credentials are rather weak. They typically see democracy as a means to consolidate their own political position and their political projects, rather than an end in itself. Clearly, the emergence of anti-systemic political movements or parties, basing their claim for legitimacy on an exclusionary group identity, generates enormous ambiguities and tensions, notably but not exclusively, for nascent democratic regimes. This raises serious issues about how much these movements should be tolerated, and how democracies should best protect themselves from fundamentalist political movements who see democracy largely in instrumental terms.

Another difficult issue concerning the complex relationship between globalization and democratization concerns the quality of democratization taking place in some countries. While

³ For a broad analysis concerning the relationship between globalization and the emergence of authoritarian politics, see Samir Amin, *Capitalism in the Age of Globalization* (London and New Jersey: Zed Books, 1997). On the emergence of the extreme right in Western Europe, see Herbert Kitschelt, *The Radical Right in Western Europe* (Ann Arbor: University of Michigan Press, 1995). For a discussion of similar tendencies in the Eastern European context during the post-1989 era, see Sabrina P. Ramet, *Whose Democracy? Nationalism, Religion and the Doctrine of Collective Rights in Post-1989 Eastern Europe* (Boulder, CO and New York: Rowman and Littlefield, 1997). A good discussion of similar tendencies in the Latin American context is provided by Alison Brysk and Carol Wise, "Liberalization and Ethnic Conflict in Latin America," *Studies in Comparative International Development*, 32, no. 2 (Summer 1997) pp. 76-104.

democratic politics is being established as the norm in the majority of countries, serious questions remain regarding the true democratic credentials of many of the democracies being established. Various terms, such as "delegative democracy," "low intensity democracy" or "the politics of anti-politics," have been used to describe a familiar pattern: low key politics within a compressed public space and based on personalities rather than concrete party programs.⁴ Such politics are driven by the desire for individual material enrichment rather than the public good. Thus, it is not surprising to observe a degeneration of political activity and a corresponding loss of trust in politicians and political activity on the part of the general public. The moral vacuum that seems to accompany the current wave of democratization reflects the extension of the market to encompass economic and non-economic dimensions of everyday life, including political activity.

It is therefore not so paradoxical that identity politics are emerging at the same time that neoliberal globalization is taking place. The deep sense of uncertainty and the feeling of rootlessness produced by globalization have clearly contributed to the rise of often authoritarian forms of identity politics to the center stage in the political arena. It is perhaps this very gap between what is possible and what is expected in this new, globalized environment that is causing widespread public dissatisfaction and disillusionment with politicians and political activity.

TURKEY: CHALLENGES AND STRAINS OF GLOBALIZATION

Turkey's encounter with neoliberal globalization dates back to 1980. Following the collapse of the import substitution model of development during the late 1970s, Turkey embarked on a major economic reform period in 1980, with strong support from transnational financial institutions. The objective of the reform process was to correct the severe inward orientation of the previous era and create an economy that would be fully integrated and competitive with the world market. The question of whether the Turkish version of neoliberalism has been successful is an issue

⁴ Particularly important in this context are Guillermo O'Donnell, "Delegative Democracy," *Journal of Democracy*, 5, no. 1 (1994) pp. 55-69; Barry Gills, Joel Rocamora and Richard Wilson, eds., *Low Intensity Democracy: Political Power in the New World Order* (London and Boulder, CO: Pluto Press, 1993); and Fareed Zakaria, "The Rise of Illiberal Democracy," *Foreign Affairs* (November/December 1997) pp. 22-43.

that deserves treatment in its own right.⁵ What is significant in the present context is how Turkey's neoliberal reform process has conditioned the subsequent course of socio-political development and the pattern of electoral politics that has emerged, notably during the 1990s. With this specific question in mind, it is worth highlighting the following features of the Turkish experiment in neoliberalism.

Rapid Growth

In spite of the qualifications concerning the quality of economic growth, Turkey has nonetheless managed to grow at an average rate of 4 to 5 percent since 1980. This comparatively high growth rate has, in turn, created a significant group of winners from the globalization process. The winners have not been limited to large-scale conglomerates, capitalizing on export markets and the opportunities provided by financial liberalization. A striking trend in recent years has been the emergence of new centers of industrial growth in inner Anatolia, such as Denizli, Çorum, Urfa, Gaziantep and Konya, which have challenged the industrial dominance of Istanbul and the Marmara region. The emergence of these new centers of growth is strongly associated with successful small firm development and heavily oriented toward production based on advanced technology for external markets. The striking performance of small- and medium-scale firms in these new centers of economic growth, the so called Anatolian Tigers, have been frequently highlighted in the recent literature on Turkey's development trajectory in the neoliberal era.⁶

Macroeconomic Instability and Fiscal Crisis

Endemic macroeconomic instability and chronically high rates of inflation, originating from an underlying fiscal crisis of the state,

⁵ For a detailed and critical assessment concerning the consequences of the Turkish neoliberal experiment in the post-1980 era, see Ziya Öniş, *State and Market: The Political Economy of Turkey in Comparative Perspective* (Istanbul: Boğaziçi University Press, 1998) and Ziya Öniş, "The Turkish Economy at the Turn of a New Century: Critical and Comparative Perspectives," in M. Abramowitz, ed., *Changing Turkey and the United States* (Washington, DC: The Century Foundation, forthcoming).

⁶ On new centers of industrial growth based on small and medium sized firms in the so-called Anatolian Tigers, see Ahmet Köse and Ahmet Öncü, "Dünya ve Türkiye Ekonomisinde Anadolu İmalat Sanayii: Zenginleşmenin mi Yoksa Yoksullaşmanın mı Eşiğindediriz," *Toplum ve Bilim*, 77 (Summer 1998) pp. 135-58; Alpay Filiztekin and İnsan Tunali, "Anatolian Tigers: Are They for Real?" *New Perspectives on Turkey*, 20 (Spring 1999) pp. 77-106.

have been striking features of the Turkish neoliberal experiment. The state's fiscal problems emerged in the 1970s, largely a result of unusually high public sector borrowing. During the early years of stabilization and reform in the 1980s, some success was achieved in containing the budget deficit and reducing the inflation rate. Following the transition to full, unrestricted multi-party democracy in 1987 and the resulting populist pressures for redistribution, however, the fiscal crisis of the state intensified in the late 1980s and the early 1990s. Indeed, fiscal disequilibrium was an important cause of the financial crisis of 1994 in Turkey.⁷ The subsequent stabilization measures, however, have so far failed to produce a fundamental change.

Budget Deficit

Another feature of Turkey's economy in the 1990s concerns the importance of domestic borrowing by the state at high interest rates to cover the budget deficit. Successive Turkish governments have found themselves confronted with a major dilemma: While the pressures for populist redistribution have been immense given the nature of inequality in Turkish society, populist redistribution has been increasingly inconsistent with the goals of achieving and sustaining high rates of growth and successful integration into the global economy. This creates a vicious circle whereby redistribution attempts result in endemic fiscal instability and high inflation. This tends to generate a fragile, stop-and-go pattern of economic growth based on inflows of short-term speculative capital.

The absence of macroeconomic stability therefore fails to provide a conducive environment for long-term domestic and foreign investment. Moreover, the heavy interest burden on domestic debt, which has been accumulating throughout the 1990s, has increasingly left few resources to redistribute. Paradoxically, a disproportionate share of public resources are directed toward the repayment of the principal and interest on domestic debt, limiting the resources available for redistribution and long-term development.

⁷ On the nature of fiscal disequilibrium in the Turkish economy during the neoliberal era, see İzak Atıyas and Şerif Sayın, "The Political Economy of Budget Deficit in Turkey," *Boğaziçi Journal*, 12, no. 1 (1998) pp. 55-80. For an analysis of the Turkish financial crises of 1994 from a comparative perspective, see Ziya Öniş and Ahmet Faruk Aysan, "Neoliberal Globalization, the Nation State and Financial Crises in the Semi-Periphery: A Comparative Analysis," *Third World Quarterly*, 21, no. 1 (2000) pp. 119-40.

Inegalitarian Economic Development

Although Turkey's economic growth has been fairly rapid, an inegalitarian pattern of development has persisted in Turkey during the 1980s and the 1990s. Turkey has one of the higher relative income inequalities: a recent estimate of Turkey's Gini coefficient, a standard indicator of relative income inequality, was 0.5.

Furthermore, the Turkish development experience has been characterized by major inter-regional income inequality. Turkey's comparatively low per capita income of \$5,516 (calculated to account for purchasing power parity) is a reflection of the wide gap between the relatively developed regions of the West and the South and the severely underdeveloped regions of the Southeast and East.⁸ While the Kurdish issue in Turkey is partly an issue of ethnic identity, it is also related to the economic underdevelopment of the Southeast. Associated with this inegalitarian pattern of development has been large-scale unemployment and underemployment, continued rural-urban migration and the growth of shantytowns around the major metropolitan centers.

Fortunately, Turkey is in a process of demographic transition with population growth displaying a marked decline in recent years.⁹ However, the high rate of population growth until recently has created a population structure, which, in contrast to European patterns, is dominated by young people. In addition, a disproportionate share of the population, some 40 percent of the labor force, is concentrated in agricultural and rural areas, in spite of the fact that the share of agriculture to total national production has declined dramatically in recent decades.

Yet another characteristic of the Turkish experience has been the cycles of wage repression and recovery. Indeed, real wages were heavily depressed in the early years of the neoliberal experiment under military rule from 1980 to 1983 and the subsequent phase of restricted democracy from 1983 to 1987. Real wages recovered

⁸ For evidence on different dimensions of income inequality in Turkey, see Zehra Kasnakoglu, "Income Distribution in Turkey: Who Gets What?" *Private View*, 4/5, no. 3 (Autumn 1997) pp. 56-62. The per capita income figure is based on *UN Human Development Report, 1998* (New York: Oxford University Press, 1999).

⁹ For a comprehensive analysis of the changing demographic trends and the decline in the rate of population growth in Turkey during the recent period, see TÜSIAD, *Türkiye'nin Fırsat Penceresi: Demografik Dönüşüm ve İzdeşimleri* (İstanbul: TÜSIAD Publication, 1999).

significantly in the late 1980s and the early 1990s. However, the financial crisis of 1994, and the subsequent stabilization program implemented in conjunction with the IMF, have created yet another round of wage depression during the latter half of the 1990s.

A characteristic not unique to Turkey is that the state possesses limited capacity to reverse the inegalitarian trend resulting from globalization. It is increasingly left to informal institutional arrangements or networks to provide a rudimentary form of welfare provision.¹⁰ The growth of these informal networks and the concept of the "network society" is crucial to understanding the highly volatile electoral politics of the 1990s. The electoral scene of the 1990s is increasingly dominated by competition among these rival informal networks.

PARTY FRAGMENTATION DURING THE 1990S

Now that I have examined how globalization has affected the Turkish economy, I will move on to its impact on democratization and the political sphere. An apparent paradox of the Turkish political scene during the 1990s, which sharply differentiates it from the 1980s, concerns the fragmentation of the party system and the return of coalition politics. The political system was strictly controlled during the 1980s. As noted, Turkey had a military government from 1980 to 1983 and a controlled transition to democracy from 1983 to 1987. There were explicit limits imposed on the number and nature of the political parties allowed to participate in the general elections of November 1983 and the municipal elections of March 1984.

In November 1983, Turgut Özal's right-of-center Motherland Party won the first general election after military rule.¹¹ The Motherland Party continued to dominate the political scene and emerged as the winner once again in the 1987 general election.

¹⁰ For a comprehensive discussion of informal networks and their importance in the political economy of Turkey, see Ayşe Bugra, "The Immoral Economy of Housing in Turkey," *International Journal of Urban and Regional Research*, 22, no. 2 (1998) pp. 303-17.

¹¹ For an analysis of the political environment of the 1980s and the rise of the Motherland Party, see John Waterbury, "Export-Led Growth and the Center Right Coalition in Turkey," *Comparative Politics*, 24 (Winter 1992) pp. 127-45. Also relevant to an understanding of the period is Metin Heper, ed., *Strong State and Economic Interest Groups: The Post-1980 Turkish Experience* (Berlin and New York: Walter de Gruyter, 1991). On the pattern of electoral politics during the 1990s, see Ersin Kalaycıoğlu, "The Shaping of Party Preferences in Turkey: Coping with Post Cold War Era," *New Perspectives on Turkey*, 20 (Spring 1999) pp. 47-76.

However, following the September 1987 referendum, which eliminated the ban imposed by the military on such political parties as the Justice Party and the Republican People's Party and their leaders, Süleyman Demirel and Bülent Ecevit respectively, the Turkish political system reached a new point in its transition to unrestricted party competition. By the end of the 1980s, Motherland's popularity had started to wane significantly, and the party lost power in the 1991 election. Since then, Turkish politics have been characterized by instability caused by party fragmentation on both the Left and the Right.¹² With the return of the principal political leaders of the earlier era to active politics after the 1987 referendum, a clash of personalities also played a divisive role in Turkish politics.

The fragmentation of the Turkish party system and the volatility of electoral politics in Turkey during the 1990s is clearly illustrated in Table 1. In analytical terms, it is useful to divide the principal political parties in Turkey into three distinct categories: 1) right of center political parties, including Motherland and the True Path; 2) left of center political parties, including the Republican People's Party and Ecevit's Democratic Left; and 3) fringe political parties with anti-systemic orientations, including the pro-Islamist Virtue Party, the extreme Nationalist Action Party and ethnic nationalist HADEP, a party that seeks to represent the rights of the Kurdish minority in the southeastern part of the country. The electoral performance of the "Nationalist Action coalition" and the "Virtue-Welfare coalition" are displayed separately in Table 1-A. (The Virtue Party replaced the Welfare Party after it was closed by the Constitutional Court in January 1998.) However, I show the collective performance of these parties in Table 1-B, together with another small party, the Reformist Democracy Party, as they joined forces in the elections of 1991, under the collective banner of Welfare. The Reformist Democracy Party, however, has subsequently been marginalized and left out of the "Welfare coalition."

¹² In retrospect, the fragmentation of the party system is a surprising phenomenon in the sense that one of the chief intentions of the military elite during the 1980-1983 era was to build a certain measure of stability into the system. What they had in mind originally was the design of an electoral system that would ensure a natural two-party equilibrium.

Table 1-A
Volatility of Electoral Behavior since 1987

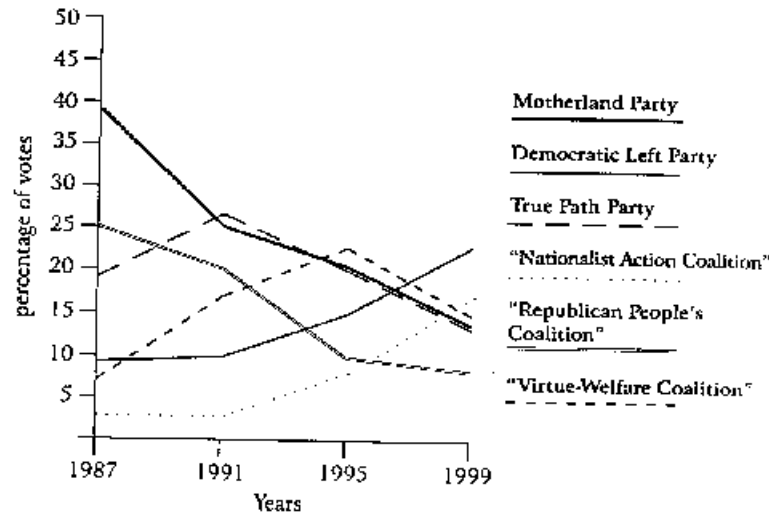
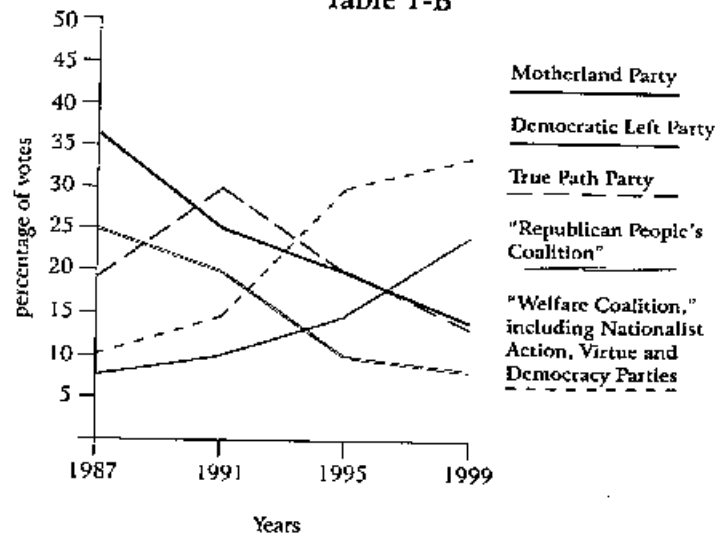


Table 1-B



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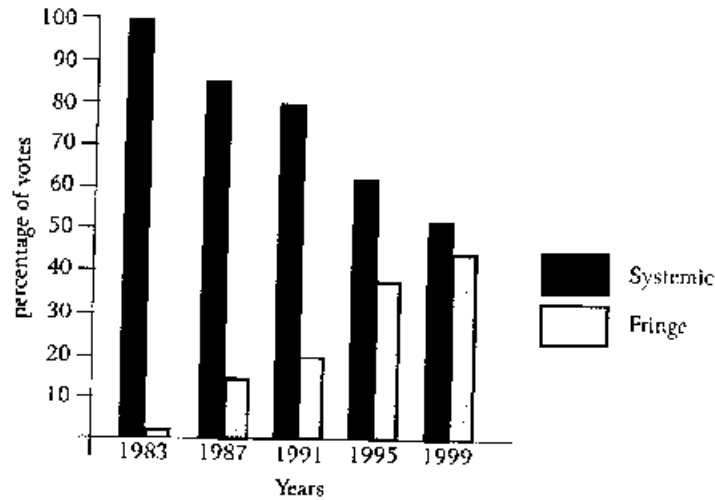
Several trends emerge from this data. First, none of the political parties have independently been able to capture more than 25 percent of the total vote in national or local elections. This is contrasted with the electoral patterns of the 1970s and the 1980s, when electoral politics was typically dominated by one major political party on the right and one on the left of the political spectrum. In fact, with the exception of relatively brief interludes, the general pattern of democratic politics since its inception in 1950 has been characterized by the dominance of a major political party of the center-right. Second, both parties of the center-right have been steadily losing ground in the 1990s and emerged from the April 1999 elections as clear losers. Third, the Republican People's Party, the party which perhaps comes closest to a Western style social democratic party in Turkey, has also been on a steady downward slide. The party could claim only about 8 to 9 percent of the total national vote and failed to secure any seats in Parliament for the first time since its creation by Atatürk in 1923. The Democratic Left, the other main party with social democratic credentials, however, has managed to increase its share of the vote steadily in the 1990s and emerged as the leading party in the 1999 elections.

While many of the centrist parties have suffered declining electoral support, fringe parties have enjoyed an unexpected and dramatic rise in national prominence, such as the Welfare Party's marked success during the March 1994 municipal elections and the December 1995 general elections. The Welfare Party was subsequently renamed, or replaced by, the Virtue Party following its closure by the Constitutional Court and its effective exclusion from formal politics in January 1998. Equally striking has been the rise of the extreme Nationalist Action Party to the position of the second largest party in parliament.¹³ In fact, an examination of the distribution of votes between center and fringe parties suggests a steady improvement in the relative position of the fringe or anti-systemic parties, as illustrated in Table 2.

Another important political development involves the apparent convergence in party programs during the course of the 1990s.

¹³ On the rise and fall of the Welfare Party during the 1990s, see Ziya Öniş, "The Political Economy of Islamic Resurgence in Turkey: The Rise of the Welfare Party in Perspective," *Third World Quarterly*, 18, no. 4 (1997) pp. 743-66 and Haldun Gülalp, "The Poverty of Democracy in Turkey: The Refah Party Episode," *New Perspectives on Turkey*, no. 21 (Fall 1999) pp. 35-59.

Table 2
Electoral Performance in the Post-1980 Era:
Systemic versus Fringe Parties



An examination of recent party programs and a comparison on the basis of seven main criteria point toward some interesting tendencies, which are worth highlighting. The seven criteria are: privatization, as a measure of commitment to reducing the direct involvement of the state in economic affairs; decentralization, as a measure of commitment to reducing Ankara's control over regional districts; democratization and individual rights, as a measure of the party's commitment to civil rights and democracy; traditional and conservative communitarianism, which involves a mix of Islamic and nationalist undertones and emphasizes tradition, hierarchy and group solidarity; nationalism, which measures the extent to which the party programs are based on nationalist, exclusionary dialogue; secularism, which measures the party's commitment to separation of religion and the state; and, foreign policy orientation, which indicates the party's stance toward EU membership. These trends are laid out in Table 3.

Some interesting trends are clear from Table 3. First, there seems to be much less disagreement on economic issues in the 1990s compared with earlier periods. In the past, significant differences existed between the right-of-center and left-of-center parties

Table 3
Party Orientations in the 1999 Elections: Convergence or Divergence?

	Privatization	Decentralization	Emphasis on Democratization and Individual Rights	Traditional and Conservative Communitarianism	Nationalism	Secularism	Foreign Policy Orientation Toward EU Membership
Motherland Party	Strongly in favor	Strongly in favor	Mild to strong (some communitarian elements)	Strong	Strong	Mild	Strong
True Path Party	Strongly in favor	Strongly in favor	Mild to strong	Mild to strong	Strong	Mild	Strong
Democratic Left Party	Qualified Endorsement	Strongly in favor	Mild to strong	Strong	Very strong	Mild to strong	Mild to strong
Republican People's Party	Qualified Endorsement	Strongly in favor	Very strong	Weak	Mild	Very strong	Very strong
Nationalist Action	Least Favorable	Mixed	Weak	Very strong	Very strong	Weak to mild	Weak (has moved toward Republics)
Virtue Party	Strongly in favor	Strongly in favor	Strong (most recent program)	Strong	Mild to strong	Weak	Strong
HADEP	Unfavorable to (no public endorsement)	Strongly in favor	Mild to strong	Strong	Weak	Strong	Strong

*The sources of information for this table are the most recent programs of the political parties mentioned in the table.
 **A sharp contrast may be detected between the Welfare Party and its successor, the Virtue Party, in this respect. The former displayed a strong orientation toward the Arab Middle East and an equally strong anti-EU stance during the general elections of 1995.
 *** HADEP constitutes the polar opposite of the Nationalist Action Party in terms of its degree of commitment to Turkish nationalism. Yes, it would be misleading to classify the party as a separatist or a Kurdish nationalist party.

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concerning the role of the state in economic affairs and the issue of whether or not to privatize the large state enterprise sector. Now, almost all political parties appear to be in favor of privatization and the market economy, although differences of emphasis may still be detected.¹⁴

Secondly, all of the parties appear to be in favor of some decentralization and delegation of authority to local governments. Most of the political parties also appear to be in favor of democratization and the enlargement of individual rights. At the same time, with one exception, the programs of all the principal political parties tend to reflect strong traditional and conservative communitarian elements involving various mixes of Islam and nationalism. This type of communitarianism, with its emphasis on tradition, culture, hierarchy and group solidarity, makes a rather sharp contrast with the "liberal communitarian" vision of the world, with its emphasis on the individual and individual rights within a broader social context. Perhaps not surprisingly, then, the emphasis on nationalism appears to be particularly strong across the political spectrum.

The degree of emphasis placed on secularism seems to be a point of demarcation between center-left and center-right political parties, with the former placing more emphasis on the importance of secularism. Center-right parties appear less concerned with maintaining secularism. Foreign policy orientations of the political parties are broadly parallel, again with one or two exceptions. The link between party programs and electoral results will be explored later.

One last dramatic trend underlying the electoral politics of the 1990s, and particularly the elections of 1999, and closely related to the process of globalization, involves the national-local divide. The

¹⁴ The programs of all the major political parties seem to display a certain degree of continuity in the campaigns leading toward the elections of 1995 and 1999, with the exception of that of the Virtue Party, which has changed its program significantly in favor of a more liberal approach in economic affairs and a new emphasis on democratic rights and civil liberties. Moreover, Virtue currently attaches major importance to developing closer links with the European Union. These changes mark a sharp contrast to the program of the Welfare Party in 1994 and 1995. Welfare's program had been based on a hyper-populist rhetoric of "just order" and a clear bias could be detected in its foreign policy stance in favor of the Arab and Islamic world and against Israel and the European Union. The closure of the Welfare Party in January 1998 clearly resulted in a massive overhaul of the program of its successor, Virtue. The link with the EU is more important in this context in terms of protecting the party against another possible closure. The shedding of its more communitarian elements in favor of a program based on individual rights and liberties, with a focus on religious rights, has not helped Virtue's electoral fortunes, however, as the results of the 1999 elections testify.

1999 elections are important because they marked the first time national and local elections were held simultaneously in Turkey. Thus, the electoral performance of any given political party may differ significantly in the same locality depending whether one examines the results from the general or the local elections. For example, the pro-Islamic Virtue Party's share of the national vote declined in the 1999 elections relative to its 1995 performance, but the party continued to dominate in major metropolitan centers, such as Ankara and Istanbul. This suggests that voters increasingly differentiate between local and national politics and consider the personalities and the performance of the parties at the local level independently of the broader ideology or program of the national party. The divergence between the performance of the principal political parties in the national and local elections is illustrated in Table 4.

IMPACT OF GLOBALIZATION ON POLITICAL BEHAVIOR

A closer examination of party programs and electoral behavior in Turkey during the 1999 elections in particular reveals what is now needed for electoral success. First, successful electoral performance seems to depend on the formation of a broad coalition that successfully integrates the winners as well as the losers of neoliberal globalization. The Welfare Party is a particularly good example of this. Welfare has managed to successfully integrate groups who have benefited from the globalization process, such as the rising bourgeoisie and the new elites in emerging centers of small enterprise development in Anatolia with marginal groups in urban centers who constitute the clear losers of globalization. The strong emphasis in the Welfare program on communitarian elements, such as Islam or nationalism, integrates these rather diverse groups in a nationwide organization. A similar phenomenon is evident in the rise during the 1999 elections of the Nationalist Action Party. Although its populist rhetoric and varying degrees of emphasis on nationalism and Islam appealed to the underprivileged, Nationalist Action has managed to attract the rising businessman and the new elites on the periphery to forge a cross-class coalition. While Nationalist Action's bond is based more on an appeal to nationalism, the Islamic element has also been an important feature of the party's electoral program. The Nationalist Action Party capitalized on the decline of the Virtue Party, following the loss of morale and organizational

disarray after its predecessor was closed. Indeed, the Nationalist Action Party has managed to increase its votes precisely in the areas where Welfare previously dominated. The experiences of both the Welfare and the Nationalist Action Parties clearly testify to the importance of strong organizational skills, local level networks and redistributive mechanisms, which are crucial in building a broad cross-class coalition from a grassroots level.

The logical implication of this argument is that class-based politics do not produce success in the new political environment. This observation is directly verified in the cases of both the Motherland and the Republican People's Parties, which have become increasingly class-based and which have sustained significant electoral losses. The Motherland Party under Özal during the 1980s was a truly cross-class coalition. Its programmatic appeal was based on a hybrid ideology, combining a strong commitment to the market with communitarian elements of nationalism and Islam, although not to the extent of Nationalist Action and Welfare. Following the departure of Özal and the more conservative elements in the party, it progressively lost its cross-class quality. Under the dominance of its liberal wing, during the 1990s the Motherland Party increasingly became the principal representative of the urban bourgeoisie, which has naturally benefited from the globalization process. The Motherland Party example clearly demonstrates that a political party that only appeals to the winners of globalization will not be able to translate this limited popularity into electoral success.

Similarly, the Republican People's Party, which tried to appeal primarily to the losers of the globalization process, was not able to generate the desired level of electoral success in the 1990s. It is important to note, however, that the specific historical legacy of the Republican People's association with the state and the state ideology of authoritarian secularism has also limited its electoral success.¹⁵

¹⁵ For a discussion and a critique of official state ideology and the notion of authoritarian secularism, see Hakan Yavuz, "Turkey's Fault Lines and the Crisis of Kemalism," *Current History* (January 2000) pp. 33-38. For similar critical perspectives concerning the positions taken by the Turkish state concerning the Kurdish issue and political Islam respectively, see Henri J. Barkey and Graham E. Fuller, *Turkey's Kurdish Question* (Oxford: Rowman and Littlefield, 1998) and Mehran Kamrava, "Pseudo-Democratic Politics and Populist Possibilities: The Rise and Demise of Turkey's Welfare Party," *British Journal of Middle Eastern Studies*, 25, no. 2 (1998) pp. 275-301. Turning our attention to the Republican People's Party, there is an interesting dichotomy between its staunch defense of Kemalism on the issue of political Islam and its more liberal stand concerning minority rights and ethnic identity.

Table 4
The National-Local Divide in the 10 Metropolitan Areas of Turkey in the Elections of 1999
(in percentages)

	Istanbul		Izmir		Ankara		Kocaeli		Bursa		Adana		İçel		Antalya		Konya		Manisa	
	Nat.	Local	Nat.	Local	Nat.	Local	Nat.	Local	Nat.	Local	Nat.	Local	Nat.	Local	Nat.	Local	Nat.	Local	Nat.	Local
Motherland	15.7	22.1	15.8	19.1	10.8	6.6	6.4	11	15.9	20.6	11.8	26.4	10.8	12.9	13.1	11	7.1	4.1	10.7	24.3
True Path	5.4	3.9	9.5	16.3	7.3	2.6	7.8	11.9	12.7	19.6	9.3	4	10.9	4.7	19.2	18.6	13.8	9.8	19	14.8
Democratic Left	29.6	20.5	40.2	30.4	23.1	10.5	23.4	11	32	28.9	25.9	20	19.3	19.6	20.1	18.5	10.6	5	25.2	21.1
Republican People's	9.5	11.7	9.7	18	13.4	31.9	10.3	39.3	3.8	2.6	7.9	11.1	12.3	17.6	12.3	21.9	5.2	2	7.4	1.2
Nationalist Action	10	7.4	11	6.8	31.5	11.8	13.5	5.4	14.5	7.5	23.5	15.1	26.3	17.9	22.2	17.2	25.9	26.4	20.7	18.3
Virtue	21.2	27.3	4.8	3.4	17	33.7	22.1	27.1	15.3	15.8	10.2	10.8	5.1	6.4	6.2	6.7	30.1	38.4	8.4	7.2
HADEP	4	2.6	4.3	3.7	1.5	0.6	3.1	0.5	1.7	1.4	7.3	8.7	8.8	17.5	2.7	4	2.4	1.2	3.5	8

Source: Seçim 99 (Election 99) internet site at <http://www.secim99.gen.tr> (3 September 1999).
 * 10 Major Metropolitan Areas are determined according to the 1997 GDP per capita ranking of cities in Turkey, which was obtained from the internet site of the State Institute of Statistics at <http://www.sis.gov.tr> (3 September 1999).

A second attribute of successful parties in the 1990s is their appeal to the underprivileged, which accounts for the Welfare Party's rise to power in 1994 and 1995 and the unexpected rise of the Nationalist Action Party in 1999. Both of these parties have capitalized on the weaknesses of the traditional social democratic parties in Turkey and have represented themselves as the natural outlets for the underprivileged. In both cases, they appeared to be more statist and populist than the mainstream parties. At the same time, they managed to differentiate themselves in terms of their discourse from the mainstream political parties of the "center." Welfare appealed to the electorate by using Islamic nationalism whereas Nationalist Action focused more on nationalism and national identity.¹⁶ The appeal to the underprivileged in both cases utilized strong collectivist and communitarian elements that helped to build a bridge between various levels of society. These strong communitarian elements had a strong moral appeal in the Turkish environment, which is increasingly characterized by favoritism, corruption and an overall decline in ethics caused by relentless materialism and the extension of the market into everyday life. The identification of the main center-right political parties with corruption has also been instrumental in tilting the balance of support toward parties of the extreme right.

This moral imperative also helps explain the rise of Ecevit's Democratic Left as the premier party of the center-left. Ecevit's brand of social democracy embodied a strong emphasis on nationalism in conjunction with a challenge to political Islam, although it did not convey the strong authoritarian secularist tone associated with its rival Republican People's Party. Specifically, the Democratic Left presented an image of being on good terms with pure Islam while being against the politization of religion. Ecevit's image as a clean politician has helped bolster the party's electoral chances. In fact, pleas for clean politics were an important common element in the rise of two leaders, Ecevit of the Democratic Left and Bahçeli of Nationalist Action, during the 1999 elections.

¹⁶ The Nationalist Action Party's rise is also associated with the tough and uncompromising stance that the party has adopted on the Kurdish issue. Consequently, it has been able to appeal to these segments of the electorate who have been directly affected by the war in the Southeast. It is interesting to observe, however, that Nationalist Action, following its electoral victory in 1999, has been moving toward the center of Turkish politics and has been developing a milder image. How this change will affect the electoral fortunes of the party in the coming years is an interesting question.

A third attribute is that, despite cross-class coalitions, winning parties continue to command a relatively small fraction of the total vote. The reasons for the limited nature of these cross-class coalitions are primarily economic. The parties concerned do not have economic resources themselves or access to state resources. They are therefore unable to build broadly based electoral coalitions that would win a majority of the vote. Thus, the financial limits of clientelistic politics contribute to the fragmentation of party politics.

IMPACT OF PARTY FRAGMENTATION AND COALITION GOVERNMENTS

An interesting question to consider is whether electoral volatility and party fragmentation necessarily imply an inherently unstable polity in Turkey. From an economic point of view, the fragmented party system and associated pattern of coalition politics during the 1990s have clearly restricted the ability of governments to undertake rapid and far-reaching reform in such key areas as privatization, taxation and social welfare. Coalition politics, at least until recently, have been associated with weak governments—governments that have lacked the authority to pursue, as well as the willingness to pay the price for, deep-seated structural reforms. The failure to undertake reforms has been costly to the Turkish economy. Due to the presence of persistent macroeconomic instability and chronically high rates of inflation, the Turkish economy has failed to realize its potential level of economic growth. Nonetheless, the degree of political instability in Turkey should not be overexaggerated. First, a significant gap exists between what parties promise while in opposition and what they can deliver once they are actually in office. The presence of severe fiscal constraints and the discipline imposed by the international financial community limit how much parties can deliver to low income groups. Thus, many populists become at least qualified neoliberal reformers once in government. This is best illustrated by the recent example involving the coalition between the Democratic Left and Nationalist Action and its commitment to key reforms in the areas of privatization, social security and the banking system. It is also striking that the statist and redistributive orientation of the Islamist Welfare Party was significantly reversed when the party was the dominant government coalition partner from July 1996 to June 1997. Moreover, the old party program of

the Virtue Party, which was based on extensive redistribution and an expanded role for the state, has been replaced by a commitment to privatization and a reduction of the role of the state in economic affairs.

The parameters set by the logic of neoliberal globalization and the requirements of successful integration with global capitalism effectively lead to a convergence of economic policies when parties of different ideological orientations find themselves in government. This gap between what is preached in opposition and what is implemented in government has led to a certain disillusionment with politics and political activity in general.¹⁷ It also contributes to the volatility and fragmentation of the party system in the sense that electoral choice is increasingly centered around leaders and personalities, as opposed to concrete party programs. The paradox is that this instability will not impact economic policies, as they are increasingly determined by exogenous factors.

In the political realm, the fragmentation of the center-left and the center-right has contributed to political instability in Turkey by providing room for fringe parties of the extreme right to establish themselves as major political actors. This was clear during the rise of political Islam in the mid-1990s, which provided a direct and serious challenge to the existing secular constitutional order.

The strong tradition of a centralized state and the Kemalist ideology based on a deep commitment to the principles of secularism and the unitary nation-state have built a significant element of stability, perhaps overstability, into the Turkish political system. The closure of the Islamist Welfare Party in 1998—an action spearheaded by the military—clearly highlights the limits imposed by the key institutions of the state. Thus, Turkey's challenge is to balance a stable political order with the process of democratization. The centralized state, and a strong commitment to Kemalism, restricts the sphere of action of groups or parties whose politics are based explicitly on religious or ethnic identity. At the same time, the democratic credentials of anti-systemic parties, such as the Welfare Party or its successor, the Virtue Party, are also in doubt.

Important developments increase optimism regarding the

¹⁷ For valuable survey research demonstrating the broad lack of trust concerning politicians and political parties in Turkey, see Yılmaz Esmet, *Devrim, Evrim, Statüko, Türkiye'de Sosyal, Siyasal, Ekonomik Değerler* (Istanbul: TESEV Yayınları, 1999).

potential for democratic deepening in Turkey. First, the experience of the most recent coalition government, formed after the 1999 elections, suggests that Turkey is learning to live with coalition governments. Coalition politics no longer necessarily imply the deep-seated instability or conflict as it did in the latter half of the 1970s and the early phase of the 1990s. Moreover, there has been a change in political culture in favor of greater tolerance and management by consensus. Indeed, in spite of the existence of a fragmented polity, the most recent coalition government in Turkey has been able to undertake radical economic reforms. A second element of democratic deepening involves the process of decentralization and the growing importance of local level participation in politics that are in line with the global trends. A third positive influence concerns the potentially favorable impact of eventual membership in the European Union following the formal announcement of Turkey's candidacy for the EU at the Helsinki Summit of December 1999. EU membership is crucial for the process of democratic deepening in Turkey.

CONCLUSION

Neoliberal globalization is an inherently inegalitarian process that undermines the redistributive capacities of the state, but paradoxically tends to promote democracy. However, the democracy that emerges is without real alternatives in the economic arena. The distinction between the traditional Right and traditional Left is being progressively blurred with steady convergence in the economic realm between parties of quite different ideological orientations. Consequently, politics has shifted to radically different terrain and now centers around issues of ethnic, religious or national identity. It would be misleading to assume, however, that identity politics is a purely superstructural phenomenon or a cultural manifestation of contemporary patterns of globalization. Indeed, closer examination reveals that what appears on the surface to be conflicts over group identity are, in many instances, economic conflicts.

Neoliberal globalization tends to generate a significant group of losers as well as winners. The mobilization of those adversely affected by globalization frequently occurs by appealing to ethnic, religious or national identity. Hence, what appears to be identity politics is in fact a protest on the part of the excluded against deeply rooted inequalities that are worsened by exposure to the

globalization process. This may explain the electoral success of the Islamist Welfare Party in Turkey in 1994 and 1995, and the subsequent rise of the Democratic Left and the extreme Nationalist Action during the 1999 elections.

While the losers of globalization typically constitute the backbone of political parties, class-based politics has been unable to generate electoral success. A clear formula for electoral success requires forging a broad cross-class coalition, which integrates both the winners and losers of the globalization process. Strong traditional and conservative communitarian agendas based on nationalism or Islam or both appear to be crucial in tying these disparate elements together in a broad-based cross-class coalition. The construction of cross-class coalitions is also critical in generating the resources needed to organize informal networks of redistribution to the poor and underprivileged majority within these coalitions. Indeed, the construction of such well-functioning informal networks constitutes an important organizational precondition for electoral success.

The recent Turkish experience also helps to highlight another apparent paradox of neoliberal globalization: it restricts the state's ability to guarantee social rights even as citizens increasingly look to their state for welfare provision due to the increasingly uncertain economic environment. Under these circumstances, citizens become increasingly disenchanted with politicians and political activity. This growing lack of trust in politics is also caused by low ethical standards and corruption due to weakening state authority. Not surprisingly, the more successful parties in Turkey have effectively capitalized on this moral vacuum by stressing their claims to clean politics. The parties concerned are confronted with a real dilemma once they find themselves in office. In opposition, their ability to distinguish themselves from their rivals constitutes a key element of their success. Once they are in government, however, their ability to differentiate themselves from their rivals declines sharply, given the parameters set by the official state ideology and the international financial community. This discrepancy reduces their chances of replicating their previous electoral success and contributes to the inherent fragmentation and lack of equilibrium in the party system. ❖

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