

# Why the 2001 Crisis Accelerated Privatization in Turkey

## Introduction

As being one of the fundamental policies of the neo-liberal experiment in the 1980s, privatization has been put on Turkey's policy agenda in 1984 while the Ozal government was in power. However, the momentum of privatization both in terms of commercialization and transfer of ownership gathered significant pace only after the 2001 crisis. While the receipts generated by the Privatization Authority (PA) over the period of 1984 to 2000 amounted to only \$5 billion, the receipts collected by the PA from 2000 to 2012 were \$38 billion<sup>1</sup>. This acceleration of privatization since 2001 has been predominantly shaped by three dynamics. These are (i) changing dynamics of domestic capital accumulation, (ii) restructuring of the Turkish state, (iii) changing intra-class compromises in the power bloc. In this paper, I aim to discuss why and how the 2001 crisis accelerated privatization in Turkey by changing the course of these three dynamics. I argue that the 2001 crisis was (i) a decisive turning point for the facilitation or consolidation of new capital accumulation strategy that was first put into practice with the 1999 reforms and (ii) a crucial time of decision for the different fractions of capital that there is no alternative other than to form a new consensus on the basis of international competitiveness if they want to survive under new conditions of accumulation. This consensus institutionalized in the political scene and within the state apparatuses by the election victory of AKP, which was supported by almost all fractions of bourgeoisie, in 2002. The organization of the paper will be as follows. First, I conceptualize the term of crisis by defining its three crucial characteristics. Second, I provide explanation for the developments in capital accumulation, power bloc and state institutions before the crisis. Third, I discuss how the 2001 crisis accelerated privatization. Last, I will explain why labour and Turkish left failed to materialize opportunities that emerged out of crisis.

## Conceptualization of Crises

Crisis is a complex phenomenon, and the term itself has many meanings. In this study, crisis is conceptualized by its three characteristics. First, crisis is "decisive turning-point" and "crucial time of decision" in the balance of class power and the organization of the state<sup>2</sup>. It can cause formerly institutionalized compromises and strategies to be no longer viable. This can result in the complete breakdown and separation of existing relations; the formation of new set of relations; or the renewal of existing relations newly institutionalized and under a different strategy of accumulation<sup>3</sup>. As Marx profoundly argues crises are never more than momentary, violent solutions for the existing contradictions, violent eruptions that re-

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<sup>1</sup> Privatization Authority of Turkey, [www.oib.gov.tr/index\\_eng.htm](http://www.oib.gov.tr/index_eng.htm)

<sup>2</sup> Arrighi (1994) and Albo, Gindin, Panitch (2010)

<sup>3</sup> Marois (2012)

establish the disturbed balance for the time being<sup>4</sup>. For this reason we can say that there is a strong relationship between crisis and social change.

Second, crises, as Arrighi brilliantly argued some 40 years ago, are historically and territorially specific. They occur within particular periods of capitalist development and must be theorized within the class and institutional matrices of that period<sup>5</sup>. The ways in which crises are resolved or not, are historically contingent on domestic social affairs, state institutional capacity, relative balance of power between capital and labour, and global pressures. In this sense, while crises are a structural feature of capitalism, so too are they specific to given state–society formations. Third, however, the resolutions to crises are rarely simply a domestic affair but occur within a hierarchical interstate and world market context. It is obvious that a range of international and foreign agencies support and even press for market-oriented changes and reforms. The most important agents include the US government and the European Union as well as major IFIs like the International Monetary Fund (IMF) and the World Bank (WB). There is always a context of contingent collaboration between foreign and domestic capitals as well as between foreign and domestic state and financial agencies<sup>6</sup>.

### **Prelude to the 2001 Crisis**

Post-1980 capital accumulation regime in Turkey can be roughly periodized into three phases: (i) from 1980 to 1989: accumulation through export of labour intensive goods and integration to world market through commercial liberalization, (ii) from 1989 to late 1990s: accumulation based on inflow of international money-capital and integration through financial liberalization, (iii) late 1990s onwards: productive capital based accumulation and integration through commodity production.<sup>7</sup> In the course of the 1980s, Turkey's economy went through a step-by-step neo-liberalization. For example, the trade regime liberalized, Turkish Lira devalued by 50 per cent and labour market disciplined –wages and social rights were suppressed- as part of the export promotion by the Ozal government<sup>8</sup>. As a result, Turkish bourgeoisie participated in the internal division of labour and accumulated capital by specializing export of labour-intensive goods, and achieved internationalization through trade liberalization in the 1980s<sup>9</sup>. This strategy of capital accumulation in the 1980s had not necessitated privatization of SOEs to be the priority of the economic policy –even though the Ozal government tried to implement it- because they were still very functional in providing cheap intermediate inputs to the private sector as part of the production of labour-intensive goods. In addition to this, domestic capital groups were not ready and

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<sup>4</sup> Karl Marx, *Capital*, vol.3 (1894) [1981], 357

<sup>5</sup> Panitch and Gindin (2011), 6

<sup>6</sup> Marois (2012), 36-37

<sup>7</sup> For a detailed explanation of the post-1980 capital accumulation strategies see Ercan (2002); Turkey (2006); Ercan and Tezcek (2010)

<sup>8</sup> Aricanli and Rodrik (1990)

<sup>9</sup> Oguz (2008), 106

capable to purchase SOEs, thereby they were opposing the sale of SOEs to foreign capital.<sup>10</sup> For example, even the TUSIAD members, which are the most receptive to foreign capital in Turkey, were rejected and criticized the sale of cement factories –Citosan- to French company in 1988-1989.<sup>11</sup>

Liberalization of the capital account in 1989 marked the second turning point in the post-1980 accumulation regime in Turkey. Financial investments by banks with funds obtained on international markets as credit denominated dollars, later converted into Turkish lira, and then loaned to the government with high interest rates was distinguishing characteristics of the capital accumulation in the 1990s<sup>12</sup>. Thus Turkish capitalism integrated to world market through inflow of financial flows in the 1990s. This strategy of capital accumulation limited privatization of SOEs in two ways. To begin with, in a period of high economic instability and when speculative financial assets were more popular than real assets (1994 and 1999 crises are examples of this instability), the purchase of SOEs was not the desirable option of capital groups both foreign and domestic.<sup>13</sup> Moreover, as the Turkish economy gravitated towards the export by subsidies in the 1980s, a number of small Anatolian and Islam influenced companies such as *Kiler, Sanko, Jetpa, Naksan, Nursanlar and Albayrak*, which linked to large-brand retailers in advanced countries and employed low-wage, unskilled and unorganized labour, experienced rapid growth and came to be known as Anatolian Tigers.<sup>14</sup> As these Anatolian companies developed, they were forced by the conditions of competition and market to find new sources of finance in order to survive and grow further in the 1990s. However, money capital that circulated through short-term capital flows was only channelled to Istanbul-based big holding groups such as *Sabancı, Koc, Dogus and Cukurova* in the 1990s. This led to conflict between big holding groups (early participants of accumulation) that had their own banks and access to finance and middle-sized Anatolian/Islamic capital (late participants of accumulation) that did not<sup>15</sup>. For instance, Akbank belongs to Sabanci Holding; Kocbank is owned by Koc Holding; Garanti Bank is owned by Dogus Holding; and Pamukbank was wielded by Cukurova Holding.

This conflict between different fractions of capital reflected into the political scene as well. For example, rise of Erbakan and Refah Partisi/Welfare Party (Islamic influenced and supported by Anatolian capital) in the mid-1990s seemed to pose a political challenge to the secular stance of Kemalist/Istanbul-based capitalists and their political force within Turkish

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<sup>10</sup> Personal interview with Ayhan Sarisu, Privatization Authority, Project Group Head, 18<sup>th</sup> October 2012. He has been working at the Privatization Authority since 1995. He has then taken roles in the privatization of various SOEs such as Turkish Telecom, Etibank, Isdemir and Tekel

<sup>11</sup> Personal interview with Ali Guner Tekin, Privatization Authority, Department Head of Advisory Services, 8<sup>th</sup> February 2013. He was responsible for the privatization of Nigde and Askale cement factories between 1988 and 1994. He has also been responsible for the privatization of Petlas tire production company, and took some roles in the privatization of Erdemir, Petkim and Turkish Airlines

<sup>12</sup> Oguz (2011), 5

<sup>13</sup> For a similar argument see Guran (2011), 40

<sup>14</sup> Ercan (2009), 40; Ercan (2010), 5

<sup>15</sup> Personal interview with Alper Bakdur, Ministry of Development (Formerly State Planning Organization), Department Head of Financial Markets, 16<sup>th</sup> October 2012. He agreed that there has been a conflict between different groups of capital on the subject of access to finance and bank credits in the 1990s

society and the state. As a result the Turkish military, with the backing of TÜSİAD, effectively brought down the RP-led coalition government on 28 February 1997.<sup>16</sup> This also hampered acceleration of the privatization in two respects. On one hand, privatization bids of Islamic-Anatolian companies for the purchase of SOEs were prevented on the grounds of the threat of fundamental Islamism by the Turkish National Security Council which was utilized by the big holding groups.<sup>17</sup> For example, Kombassan Holding which attempted to purchase Petlas - producing aircraft tyre- blocked by the big holding groups such as Sabanci Holding<sup>18</sup>. On the other hand, Anatolian companies allied with the groups opposing privatization, namely the nationalist parties, the labour unions and the statist segment of the bureaucracy to oppose TUSIAD's privatization efforts. For example, the report of MUSIAD –business association defending the interests of Anatolian companies- on privatization that was published in 1993 is very illustrative of this opposition. The report demonstrates three points clearly. First, MUSIAD was against the quick privatization of SOEs. Second, it was asking for transparent implementation of privatization and offering to reduce the involvement of the foreign capital into the Turkish privatization process. Third, MUSIAD believed that SOEs could be reformed without necessarily giving up state ownership.<sup>19</sup>

The global integration and outward-orientation of Turkish capitalism in the post-1980 era has also entailed the constant restructuring of administrative, regulatory and materially supportive units within the Turkish state. This restructuring took place in two main periods: (i) rise of neo-liberal authoritarian statism in the 1980s and 1990s, (ii) consolidation of neo-liberal authoritarian statism in the 2000s.<sup>20</sup> The earlier phase -1980s and 1990s- of state restructuring in Turkey witnessed greater fragility of the state as a result of the pressures emanating from this process. This fragility is caused partly by a duality between the newly created specialized economic apparatuses (i.e: the Undersecretariat of Treasury, the Privatization Authority) and regular state agencies (i.e: State Planning Organization, Ministry of Industry and Trade). For instance, when privatization authority suggested privatization of SOE, state planning organization rejected it. Moreover, the strengthening of the executive branch, which is the result of the rise of neo-liberal authoritarian statism, was opposed by the judicial branches of the state. In this way, the main mechanism used by the proponents of privatization became the Constitutional Court and the Danistay. Furthermore, there was no consensus between ministers of coalition governments. For example, while Yuksel Yalova<sup>21</sup> pushed privatization of Turkish Telecom and Turkish Airlines, Enis Oksuz<sup>22</sup> attempted to prevent their privatization between 1999

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<sup>16</sup> Marois (2012), 119-120

<sup>17</sup> Personal interview with Bekir Erkus, MUSIAD, Head of Machinery Sector Board, 28<sup>th</sup> February 2013

<sup>18</sup> Personal interview with Ali Guner Tekin

<sup>19</sup> Report of MUSIAD on Privatization:

[http://www.musiad.org.tr/img/arastirmalaryayin/pdf/arastirma\\_raporlari\\_02.pdf](http://www.musiad.org.tr/img/arastirmalaryayin/pdf/arastirma_raporlari_02.pdf)

<sup>20</sup> See Oguz (2008) for detailed discussion

<sup>21</sup> Personal Interview with Yuksel Yalova, State Minister Responsible for Privatization (1999-2002), 16<sup>th</sup> October 2012

<sup>22</sup> Personal interview with Enis Oksuz, Minister of Transport, Maritime Affairs and Communication (1999-2001), 17<sup>th</sup> October 2012

and 2001. All these intra-state conflicts which resulted from the attempts to restructure Turkish state in line with the necessities of the outward-oriented capital accumulation regime also prevented the rapid implementation of the privatization in the 1980s and 1990s.

By the end of 1990s, the potential of capital accumulation through inflow of international money capital reached its limits because unmanageable domestic debt, overvalued domestic currency, extremely high inflation and high interest rates blocked investments. Actually, 1994 and 1999 crises were the reflection of these limitations. Consequently, the third phase of outward-oriented capital accumulation that is based on increased productive capacity and commodity production –productive capital based accumulation- began to emerge in the late 1990s<sup>23</sup>. This accumulation regime, which requires an increase at the economy's level of competitiveness, forced capital groups to reorient themselves towards relative surplus value production and higher value-added activities through (i) higher technology by modernizing machinery capability, (ii) increasing labour productivity and lower wages by reproducing and managing labour power. As part of this strategy, Turkish government had stand-by agreement with IMF at the end of 1999. The agenda of the agreement has included tight fiscal and monetary policy, and strong structural reforms. The aim is to stop surplus transfers to capital groups and duty losses to SOEs via the state budget, decrease dependency on short-term financial flows and reduce huge budget deficit. Reforms which directly related with privatization were the establishment of independent regulatory agencies, enactment of international arbitration legislation and attempts to improve investment climate.<sup>24</sup>

### **2001 Crisis and Acceleration of the Privatization**

Why did 2001 crisis erupt in Turkey? This question is not easy to answer and hardly the concern of this paper. I would like to highlight only the fact that the 2001 crisis partly caused by the 1999 reforms that aimed to re-orient the strategy of capital accumulation towards increased productive capacity (instead of complete dependence on hot-money flows) and international competitiveness, and the resistance that shown to these reforms by some capital groups (rejected to adjust themselves to the new strategy/reforms of capital accumulation, they still demanded the support of the state via surplus transfer, bank loans and cheap intermediate products) which increased already escalating conflicts between different fractions of bourgeoisie –namely between Istanbul-based holding groups and Anatolian capital. On top of these, administrative, regulatory and materially supportive units of the Turkish state for the needs of new accumulation strategy has been neither created nor consolidated in the late 1990s. For example, Improvement of the Investment Climate Reforms began in 1999 without the establishment of 'The Coordination Council for the

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<sup>23</sup> Ercan (2006), 11; Oguz (2008), 115-116

<sup>24</sup> Personal interview with Erhan Usta, Ministry of Development (Previously State Planning Organization), Deputy Secretary, 19<sup>th</sup> October 2012

Improvement of Investment Environment' within the state apparatus. On the other hand, Banking Regulatory and Supervision Authority established in August 2000 in order to regulate banking sector and prevent excessive inflows of hot money, but tasks of this institution has not clearly been highlighted and its coordination/link with other state institutions has not been improved.

I claim that the 2001 crisis, which is much deeper compared with the other Turkish crises (1994 and 1999) of the neoliberal era, accelerated privatization in Turkey because it - via austerity, external pressure and increasing levels of competition- caused the consolidation/completion of the renewal of existing relations newly institutionalized and under a different strategy of accumulation. In other words, the 2001 crisis was (i) a decisive turning point for the facilitation/consolidation (the challenge to resolve the crisis has also made external pressure from IFIs and EU legitimate in the eyes of Turkish public, bureaucrats and capital groups) of new capital accumulation strategy that was firstly put into practice with the 1999 reforms and (ii) crucial time of decision for the different fractions of capital that there is no alternative other than to form a new consensus on the basis of international competitiveness if they want to survive under new conditions of accumulation. This consensus institutionalized in the political scene and within the state apparatuses by the election victory of AKP which was supported by all fractions of bourgeoisie. We may conclude that the 2001 crisis provided violent solutions for the existing contradictions in Turkish politics and economy. Now, I will explain how. First, we see heavy involvement of key external actors such as IMF, WB, EU and OECD into the process of crisis recovery as the crisis empowered them. Given the scale of the need for financial assistance after February 2001, Turkey was more dependent on the support of the IMF and World Bank than was the case in 1999. These institutions were in a much more powerful position to push through a new wave of regulatory reforms. Accelerated privatisation was one of the main items on their agenda.<sup>25</sup>

Second, as I explained above, reforms to change strategy of capital accumulation towards commodity production began in the late 1990s. However, these reforms can only be consolidated or implemented after the 2001 crisis which created imperatives of unsustainable public debt, austerity, international competitiveness and external pressure. The privatization of SOEs, which are not able to provide cheap, higher value-added and competitive intermediate products and do not allow capital groups to discipline labour power through part-time, temporary and contract based flexible work (as workers of SOEs tend to be more unionized and high waged) has now become necessary to be able to stay competitive within the world market of commodity production. The 2001 crisis made formerly institutionalized capital accumulation strategies to be no longer viable. For example, the indebted state can neither support SOEs via duty losses nor businesses via surplus transfer any longer. In addition to this, businesses cannot compete by taking low-value added/low technology inputs from state-owned sectors (previously when international competition and integration were not the rules of the game, SOEs were key to

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<sup>25</sup> Onis (2011), 718

the success of Turkish industry) when the strategy of capital accumulation jumped to international production chain. For example, Ali Yalcin, Director of Strategy and Business Department of Zorlu Holding –one of the biggest holdings in Turkey- notes: “Vestel has been an important exporter of televisions since the late 1990s. For example, companies from England, which demand our products, give us 7-8 days to complete the delivery. We must prepare and deliver TVs within this 7-8 days period. This is the main reason why we succeed to survive under the conditions of formidable global competition. 7-8 days delivery capacity is our company’s competitive advantage. Current flexible structure of Erdemir (most important steel producer in Turkey that was privatized in 2005) which enables us to buy steel whenever we want is crucial for us. It was impossible to purchase steel from Erdemir in such a short period of time before its privatization”.<sup>26</sup>

Third, foreign capital started to become more important internal productive actor in the Turkish economy and privatization process after the 2001 crisis. As I highlighted above, foreign capital inflows were in the form of short term hot-money and Turkish capital groups were not very receptive of foreign involvement into the productive/strategic sectors of the Turkish economy before the 2001 crisis. As Turkish government put some limits on short-term hot money flows after the crisis, Turkish capital groups started to demand FDI type of investments. For example, petro-chemical giant PETKIM is purchased by Socar and Turcas-Injaz Consortium, and TUPRAS, which is the largest industrial company in Turkey, is purchased by Koc-Shell Consortium.

Fourth, when the productive capital-based accumulation strategy became dominant after the 2001 crisis, the interests of the holding groups and Anatolian capital -for the first time in two decades- intersected and unified at the points of higher productivity, increasing level of competitiveness and high export performance.<sup>27</sup> Therefore, the conflict between holding groups and Anatolian Tigers that was prevalent in the 1990s disappeared eventually under the conditions of austerity and global competition conditions that emerged after the 2001 crisis. These fractions of capital made a sort of alliance in order to survive under these conditions. For example, KOC (member of Istanbul-holding groups) and ULKER (Islamic/Anatolian capital) established a consortium together to purchase management of highways in Turkey.<sup>28</sup> It is now common for many businessmen to be member of both TUSIAD and TUSKON or MUSIAD. For example, Memduh Boydak, who has already member of TUSKON, accepted to be TUSIAD member as well.<sup>29</sup> This undermined the power of the anti-privatisation coalition which included groups opposing privatisation, namely the ultra-nationalist parties, the labour unions and the statist segments of the state bureaucracy.

Fifth, the AKP government came to power in the ensuing elections of 2002, soon

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<sup>26</sup> Personal Interview with Ali Yalcin, Zorlu Holding, Director of Strategy and Business Department, 2<sup>nd</sup> February 2013

<sup>27</sup> Ercan (2009), 38.

<sup>28</sup> Personal interview with Gunden Cinar, Privatization Authority, Project Group Head (2004-present), 3th March 2013

<sup>29</sup> Personal interview with Mustafa Cikrikcioglu, Vice Chairman of Turkish Steel Exporters Association, Vice Chairman of Turkish Exporters Assembly, Member of TUSKON, 2<sup>nd</sup> February 2013

after the 2001 crisis. Mark Lewis, IMF Head of Turkey observes: “There is a greater political consensus since 2002 on moving ahead on privatization. Turkish policy-makers are more clearly seeking and aiming to pursue privatization. Political consensus is much stronger. It seems clear that before 2002 there was less political consensus”<sup>30</sup>. The second generation of state reforms, which came to agenda under the AKP rule, have aimed to reduce previously explained intra-state conflicts and consolidated neo-liberal authoritarian statism through a comprehensive transformation of the institutional and legal structure of the Turkish state to speed up the recovery<sup>31</sup>. The first step was the unification of regular and specialized economic apparatuses on the ideology of international competitiveness and commodity production-led imperatives. As a result, for example the PA was regularized while the SPO was neo-liberalized around the primary goal of competitiveness<sup>32</sup>. The second step was legal amendments that aimed to prevent further conflicts between executive and judiciary branches over economic policies such as privatization. For example, structure of the Council of State has been changed in 2004. Thus 13<sup>th</sup> chamber of the Council of State selected as an expert chamber which will be responsible for all privatization claims. This prevented anyone to file a claim against privatization of SOEs in different chambers such as Kayseri and Diyarbakir<sup>33</sup>. The third step was the establishment of the Coordination Council for the Improvement of Investment Climate, Investment Advisory Council and OECD Regulatory Reform Program. This step strengthened regulatory and administrative supportive units of the Turkish state. The Turkish state therefore began to offer an improved institutional framework where capital groups can be organized for the recovery of Turkish economy and the acceleration of privatization.

### **Labour’s Impasse and the Left**

The 2001 crisis created opportunities for both capital and labour. As I explained above, capital groups benefited from this opportunity by consolidating reforms and organizing around the idea of privatization. However, Turkish labour and the Left remained passive and failed to organize. There were four main reasons of this failure. First, legal battle against privatization has been very disconnected from the working class and labour movements. For example, KIGEM (Center for Development of Public Management) was the most active entity in the legal arena. Mumtaz Soysal, who was the leader of KIGEM, filed various claims against many privatization implementations. However, KIGEM, which has never had an organic relation with the working class and labour unions, failed to receive the support or backing of labour<sup>34</sup>. Second, there were no parties in the political scene that may function as

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<sup>30</sup> Personal Interview with Mark Lewis, IMF Head of Turkey (2010-present), 15<sup>th</sup> October 2012

<sup>31</sup> Oguz (2008), 169

<sup>32</sup> Oguz (2008), 189

<sup>33</sup> Personal Interview with Yesim Kurna, Privatization Authority, Head of Project Group. She was responsible for the privatization of Erdemir and Isdemir, 8<sup>th</sup> March 2013

<sup>34</sup> Personal interview with Izzettin Onder, Professor of Economics at Istanbul University, Columnist at Cumhuriyet Newspaper (1995-2005), Istanbul Representative of KIGEM, 5<sup>th</sup> February 2013

a forum for the unification of groups which are against privatization. Left parties such as CHP (Republican People's Party), SHP (Social Democratic People's Party) and DSP (Democratic Left Party) were heavily influenced by the neo-liberal ideology and argued that privatization is inevitable and needed to be supported. They even claimed that they privatize better than other parties. This lack of agent/party in the political scene had an impact on the labour's acceptance of the privatization policy<sup>35</sup>. Oguz Oyan notes: "There are only few MPs who are keen to protect SOEs in CHP. Policy of privatization has not even been discussed in the party. CHP supported neither labour unions nor KIGEM to prevent privatization. CHP should have established better and stronger position against the privatization of SOEs and should have provided support to labour unions"<sup>36</sup>.

Third, labour unions not only have not had class/anti-capitalist perspective on privatization but also organized very close to and/or within the state apparatuses. They used to negotiate on the table to solve problems. Therefore, due to lack of tradition of active struggle Turkish labour unions were not able to open collective front movement (stick together) against privatization. They resisted privatization separately when privatization touched their sectors. Their concerns were mainly related with the job losses and work conditions of their members. Petrol-Is union might be the only exception<sup>37</sup>. In the case of unions, it is crucial to note that TURK-IS, which is the biggest labour confederation in Turkey, did not establish a clear position against privatization not provided the required coordination between unions. This was one of the main reasons of lack of collective union movement in Turkey<sup>38</sup>. Fourth, some unions even attempted to purchase SOEs as buyers. For example, HAK-IS union purchased Karabuk steel factory<sup>39</sup>. This led to misconceptions and misleading evaluations of policy of privatization which eventually heavily damaged labour struggle against privatization in Turkey.

## Conclusion

In this paper, I aimed to discuss why and how the 2001 crisis accelerated privatization in Turkey. Therefore, I conceptualized the term of crisis, provided explanation for the developments in capital accumulation, power bloc and state institutions before the crisis, discussed the ways in which 2001 crisis accelerated privatization and explained why labour and Turkish left failed to materialize opportunities that emerged out of crisis. I argue that the 2001 crisis was (i) a decisive turning point for the facilitation or consolidation of new capital accumulation strategy that was first put into practice with the 1999 reforms and (ii) a crucial time of decision for the different fractions of capital that there is no alternative other

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<sup>35</sup> Personal interview with Ibrahim Dogangul, Petrol-Is Union, General Secretary of Financial Affairs, Member of Petrol-Is Union High Council, 12<sup>th</sup> October 2012

<sup>36</sup> Personal interview with Oguz Oyan, MP of CHP (2002-present), 12<sup>th</sup> Subat 2013

<sup>37</sup> Personal interview with Irfan Kaygisiz, Birlesik Metal-IsUnion, Researcher, 4<sup>th</sup> October 2012

<sup>38</sup> Personal interview with Nazmi Irgat, Organization Secretary of Turk-Is (2011-present), President of Teksif Union (2007-present), 11<sup>th</sup> February 2013

<sup>39</sup> Personal interview with Ayfer Egilmez, Head of Petrol-Is Union Research Unit (1984-2007), 1<sup>st</sup> February 2013

than to form a new consensus on the basis of international competitiveness if they want to survive under new conditions of accumulation. This consensus institutionalized in the political scene and within the state apparatuses by the election victory of AKP, which was supported by almost all fractions of bourgeoisie, in 2002.

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