Turkish and Malaysian Experiences: Lessons for Egypt

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ABSTRACT

The Egyptian uprising was triggered on January 25, 2011 after thirty years of political and economic corruption through Mubarak's administration. The thirst for development, political freedom, and social equality were the most significant factors behind thisuprising. There are widespread discussions on which developmental experience Egypt might adopt in the post-Mubarak era. Turkey and Malaysia are the two cases that are mostly referred to aspossible models for the Egyptian case. This thesis studies the most critical challenges for Egypt after the uprising and looks for solutions presented by the Turkish and Malaysian modelsthrough their developmental experiences.

Keywords: Model, Experience, Economy, Military, Poverty.

ÖZ

Mübarek'in önderliğiyle süregelen otuz yıllık politik ve ekonomik yozlaşmanınardından 25 Ocak 2011de Mısır devrimi tetiklendi. Gelişmeye duyulan özlem,siyasal özgürlük ve sosyal eşitlik devrimin arkasındaki en önemli faktörlerdi. Devrimden sonra Mısır'ın gelişmesine katkıda bulunabilecekbir kalkınma modelindenyararlanabilmek için bir çok görüş önerisisözkonusuydu.Türkiye ve Malezya, Mısır'ın kendine örnek alabileceği iki ülke olarak öne çıktı: Bu tez çalışması, Mubarak sonrası Mısırında ortaya çıkabilecekzorlukları irdeleyip, Türkiye ve Malezya'nın kalkınma modellerinin sunabileceği çözümlere odaklanmaktadır. Model alınan Türkiye ve Malezya'nın sunduğu çözüm arayışlarında karşılaşılan en kritik engellerdi.

Anahtar Kelimeler: Kalkınma, Modeli, Ekonomi, Yoksulluk, Ordu

To My Family

ACKNOWLEDGMENTS

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JDP	Justice and Development Party
AKP	Adalet ve Kalkınma Partisi
SCAF	Supreme Council of Armed Forces
NEP	New Economic Policy
NDP	New Developmental Policy
FDI	Foreign Direct Investment
PKK	Kurdish Workers' Party
DTP	Kurdish Democratic Society Party
MENA	Middle East and North Africa
EU	European Union
USA	United States of America
CHB	Republic People Party
MUSIAD	Muslim Industrialists' and Businessmen's Association
OCED	Organization for Economic Co-operation and Development
IMF	International Monetary Fund
WTO	World Trade Organzation
NGOs	Non-governmental Organizations
GB	Grameen Bank
TGMP	Turkish Grameen Microfinance Project
UMNO	United Malays National Organization
NA	National Front
ISA	Internal Security Act
GNP	Gross National Product

MSC	Multimedia Super Corridor
MATRADE	Malaysian External Trade Development Corporation
PLI	Poverty Line Income
PPRT	Program for the Eradication of Hardcore Poor
RM	Malaysian Ringgit

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Chapter 1

INTRODUCTION

After thirty years of political and economic corruption in Egypt during the Mubarak administration, Egyptians began their uprising.[1]The most important factors behind this uprising were development, political freedom, and social equality. Egypt has distinctive resources and a dynamic location that make it one of the most important actors in the Middle East, and it is well known that political and economic stability in Egypt is considered stability for the whole Middle East.

After the uprising, there were many Egyptian voices who called for the adoption of one of the developmental experiences that may help Egypt in the post-Mubarak era. The Turkish and Malaysian models were the ones that were most often referred to by different scholars and were put on the Egyptians' agenda. Many scholars like Prof. Mohammed Hijazi, the Professor of Political Science at Cairo University, claimed that the 'Malaysian Experience' is more applicable to Egypt than the Turkish

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[1]Cambridge Dictionary defines the term of 'uprising' that "an act of opposition, sometimes using violence, by many people in one area of a country against those who are in power". The use a\of this term appeared in different articles. See 1- Verhagen, M., "A "Turkish Model"in the Middle East? Consequences of the Arab Spring for Turkey's regional position and international partnerships," İktisadi Kalkınma Vakfı, no: 5, (2012), http://www.ikv.org.tr/images/upload/data/files/marleen_paper_arab_spring(1).pdf, (Accessed on August 5, 2013). 2- Göksel, O., "Assessing the Turkish Model as a Guide to the Emerging Democracies in the Middle East," *Ortadogu Etüdleri*, *4*(1), 99-120, (2012).

one.[2]On the other hand, others like Prof. SalaheldinFahmy, the Dean of the Economics College at Al-Azhar University, called for depending on the Turkish model in any developmental plan claiming that this model has many successes which may benefit Egypt, particularly after finishing the transitional stage in the country.[3] Prof. Ahmed Suleiman, one of the leaders of the Muslim Brotherhood, the biggest Islamic party in Egypt, stated that "combining the two experiences is the best alternative for Egypt after the uprising, thus in each experience there are many similarities with the current situation in Egypt."[4]

In the vision of the different Arab nationalities, Egypt is represented as the mother of the Arab countries due to its historical role in the region, strategic location, and large population. Egypt had a historical role in many of the most critical Arab causes like the Algerian, Yemeni, Syrian causes, and it has the upper hand on the Palestinian one. This is why Egypt has been an essential party in all peaceful processes between the Palestinians and Israelis. The dynamic location of Egypt is evidenced by the Al-Suez Canal which connects Asia, Africa, and Europe and is considered a dynamic resource for the Egyptian economy. Moreover, Egypt has a large human resource,with a population recently reaching 90 million people, of which a large number work in Europe, USA, and the Gulf countries.

There were many factors that have influenced different scholars to write about the Turkish and Malaysianexperiences. In the case of Turkey there were a number of

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[2] "Malaysian Experience is Closer for us than the Turkish", *Al-Jamaa Al-Islamiya,* http://www.egyig.com/Public/articles/interview/9/18663927.shtml, (Accessed on February 24, 2013).
[3] "Fahmy: Egypt has to Get Benefit from the Turkish Experience", *Al-Ahram,* http://digital.ahram.org.eg/articles.aspx?Serial=970528&eid=1796, (Accessed on   February 24, 2013).
[4] "The solution is to Mix between the Malaysian and Turkish Experiences", *Freedom and Justice Party,*http://www.hurryh.com/Provinces/PartyActive_Details.aspx?News_ID=3669&ID=7, (Accessed on February 24, 2013).

high level visits to Egyptafter the uprising and it was seen that the first official visit to Egypt after the revolution was by the Turkish President AbdullahGul. In addition, there was an explicit invitation by the Turkish Prime Minister RecepTayyipErdogan in his visit to Egypt toget benefit from the Turkishexperience in any upcoming developmental plan. And it is cannot be ignored that Turkey had historical interests in the region of Middle East and that the Turkish media played an effective role in attracting the various people in the Arab countries who tend to have a positive opinion on Turkey, as shown by different surveys.[5] Regarding Malaysia, there were many points of view expressed within the Egyptian community that Malaysia is considered a successful example, especially in terms of its economy and ethnic stability and there were invitations to get benefit from this experience. On May 18, 2013 there was a developmental conference in Egypt that hosted the former Malaysian Prime Minister, Mahathir Mohammed, who is known as the pioneer of the Malaysian experience. Mahathir Mohammed in this conference marketed the Malaysian experience and argued that the Malaysian model submitted a successful example on the aspect of national unity and ethnic stability and proposed the Egyptians to benefit from the dynamics that influenced that stability.[6]

The objective of this thesis is to analyze the Malaysian and Turkish experiences to understand which aspects fit to the Egyptian case. 'Alternative models' will be analyzed to find out possible applications to Egypt. Hence, before studying both experiences, the researcher reviewed many primary sources such as EU's Parliament

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[5] Mensur Akgün, Sabiha Senyücel Gündoğar, Jonathan Levack, Gökçe Perçinoğlu, The Perception of Turkey in the Middle East 2010, Tesev Foreign Policy Programme, Ortadoğu ENG II.Publication TESEV, p.5-12, http://www.tesev.org.tr/UD_OBJS/PDF/DPT/OD/YYN/OrtadoguENG_II.publication.pdf, by: Aktas, M.
[6] "Egypt Suffers from the Mis-Use of Freedom," *Al-Mesryoon,* http://almesryoon.com/permalink/135496.html, (Accessed on July 30, 2013).

Reports, the United States Senate Committee on Foreign Relations Hearings, and US Congress reports as well as various articles and newspaper essays written by different scholars, politicians, and columnists. These primary and secondary sources suggested that the most urgent challenges faced by Egypt after the uprising are: the political and ethnic instability; the presence of political Islam movements; the recession of the Egyptian economy; and poverty and high rates of unemployment.

It is known that each state has its own characteristics and circumstances; therefore, studying these models does not mean that the Egyptian Islamic or liberal parties have toimitate or completely follow the Turkish or the Malaysian models. Instead, the thesis is seeking to find out different aspects in each experience to know how these states interacted with these critical challenges in their developmental stages. AhmetKuru, the professor of International Relations at San Diego State University emphasized that when talking about Turkey or another state as a model for Egypt or any country of the 'Arab Spring', we do not mean that these countries have to imitate or replicate the different fields of these experiences. He added that being inspired by the successes of any developmental experience is enough for these states.[7] In an interview with the professor of Political Economy at Eastern Mediterranean University, Erol Kaymak, he noted that studying different successful models is like shopping, thus if the customer likes something he is going to buy it and vice versa.[8]There is recent report issued by the Congressional Research Service, "Turkey Background and US Relations," written by Jim Zanotti. He also indicates that "Turkey might more aptly be characterized as an inspiration than as a model because

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[7] Electronic interview, Assoc. Prof. Dr. Ahmet Kuru, San Diego State University, on May 31,2013.
[8] Interview with, Assoc. Prof. Dr. Erol Kaymak, Eastern Mediterranean University, on May 27, 2013.

the historical experiences and characteristics of its people, society, and economic system are distinct from those of Arab countries."[9]

The different academic works which studied the Malaysian experience agreed that this experience began after the ethnic tensions happened in 1969 by adopting the New Economic Policy, (NEP), in 1970. And they do not talk about its end because the ruling coalition party, National Front (Partisan National), is still in power and the manifestations of its success appeared at the beginning of the 2000s. The authors who talked about the Turkish model, like Kuru, Atasoy, and Aktas believed that this model started with the political victory of the AKP in 2002 and the implications of it became sensible after 2005.

So this thesis studies the four aspects mentioned above in each experience and finds out that they each had gone through the same challenges at the beginning or through their developmental plans. In each experience there are also distinctive characteristics which made the politicians of these states adopt suitable polices for their own circumstances. For instance, the reader will find that the single-party government in Turkey is a factor behind the political stability, but as for Malaysia, the only alternative was the coalition government because of the nature of the multi-ethnic community, as the coalition includes parties from the different ethnicities. Moreover, there were strengths in one experience at the expense of the other. For example, there are explicit governmental strategies to deal with the problem of poverty in the Malaysian model whereas the Turkish government to a large extent put this responsibility on the shoulders of charity foundations.

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[9]Zanotti, Jim, "Turkey: Background and US Relations," *Congressional Research Service*, (2012), http://digital.library.unt.edu/ark:/67531/metadc85384/m1/1/high_res_d/R41368_2012Apr27.pdf, (Accessed on July 7, 2013).

Finally, this thesis aims to contribute to the existing literature in revealing which experience is more suitable for the current circumstances of Egypt. This study makes use of primary sources like interviews, documents and statements as well as speeches in official web sites, and also utilizes the available secondary sources such as books, academic articles and newspaper essays.

1.1 Purpose of the Study

The aim of this thesis is not just a comparison of the experiences of Turkey and Malaysia. To this end, before studying the two experiences, the thesis examined different articles and essays presented by Egyptian scholars, politicians, and columnists to establish that there are four critical challenges for Egypt after the uprising. To be more precise, the general idea of this thesis concerns the study of the aspects that are related to these four challenges in both the Turkish and Malaysian experiences and how the policy makers in each state were able to overcome such challenges. The thesis then attempts to know which model is more compatible to Egypt and how the Egyptian political parties can benefit from these experiences.

1.1.1 Research Question

The research question of this thesis is: "Which of the models between the Turkish and the Malaysian is better for Egypt after the uprising and how can the Egyptian Islamic and liberal parties be inspired by the solutions presented by these experiences to the four critical challenges?" This question was asked by many scholars in different essays but there is no   academic work that answers this question. The thesis will study different works that talked about the different aspects of each experience, especially when related to the required four challenges that were mentioned above.

1.2 Methodology

To answer the main research question, the thesis uses the methodology of comparative analysis. The thesis studies the Egyptian case and reviews the different four challenges proposed by many scholars and politicians which are: the political and ethnic instability; the presence of political Islam movements; the recession of the Egyptian economy; and poverty and high rates of unemployment. To find out the required solutions of these challenges, the thesis studies the four related aspects in each experience. In order to find out the solutions that could inspire the Egyptian parties, the thesis analytically compares the two experiences to recognize the strengths and weaknesses of each model in an attempt to answer the research question.

1.3 Research Design

The thesis has five chapters. It begins with the introduction that explains the significance of the study, research questions, methodology and the research design. It also includes some general and preliminary literature review.

Chapter two introduces a preface about the recent history of Egypt after the monarchy age. It also includes information about the Egyptian uprising happened in 2011. The main aim of this part is to review the critical challenges that have faced Egypt since the uprising. The main reason for this review is to know the aspects that the researcher is going to study in the proposed models, Turkey and Malaysia.

Chapter three looks on the Turkish experience and studies the determinants of the political stability in Turkey, the rise of political Islam, the dynamics behind the economic development, and the governmental efforts to alleviate the problem of

poverty from the Turkish community. This chapter focuses on these aspects since 2002, after the political victory of the AKP.

Chapter four studies the factors behind the political stability inside the Malaysian community, the politicizing of Islam by the Malaysian policy makers and the synthesis between capitalism and the Islamic principles, the history of the economic development in Malaysia and the selective use of different economic policies, and the strategies adopted by the Malaysian government to reduce the high rate of poverty since the beginning of 1970s.

The final chapter, chapter five, presents a series of general conclusions. Its main aim is to answer the question concerning the solutions presented by each model to the four challenges by comparing the proposed solutions and finding out how these solutions could inspire the Egyptians.

1.4 Literature Review

Literature review refers to the analysis of sources of research such as books, articles, journals, etc. by acknowledging what others did in same field of the study by reading, identifying, critically evaluating and analyzing opinions concerning the topic under consideration. The use of this literature is to help the researcher answer the research questions. In this thesis, I used the literature in order to understand how the Turkish and Malaysian experiences interacted with the same challenges facing Egypt after the uprising and what the more appropriate model for it is. In this thesis, I used primary and secondary sources. The primary sources represented in using official reports like the report issued by the United Nations Research Institute for Social Development which talked about the case study of Malaysia. I also used

official figures and tables issued by the official governmental websites in Egypt, Turkey, and Malaysia and many statements made by different politicians among the three countries from official websites. Additionally, I used many secondary resources like books, articles, and internet sources etc.

Thus, in the first chapter of my thesis, I used the official website of the Egyptian Presidency to address the Egyptian uprising and I utilized official statements from parties' official websites such Freedom and Justice Party. In the second and third chapters I used different academic articles and books to analyze the related aspects of the Turkish and Malaysian experiences.

The main topic of this thesis required looking for the literature concerning the Turkish and Malaysian experiences. Hence, one of the most helpful sources in this respect was "The Rise of Political Islam in Turkey" by A. Rabasa and F. S. Larrabee. Their work was one of the most significant books that I used while writing this thesis. The book presented a comprehensive analysis about the rise of political Islam in Turkey. The authors began to write about the history of political Islam in Turkey and the factors behind its ups and downs. They focused on the importance of the era of the Development and Justice Party, (AKP), and how this party attempted to synthesize Turkish nationalism and the principles of Islam. The authors also mentioned how the AKP was able to deal with different debates and crises such as civil-military relations, Kurdish issue, head scarf cause, and the Turkish foreign policy.[10] These issues are also commonly described by different authors in different articles and textbooks. For instance, there are many critical works about the Turkish

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[10]Rabasa, A., & Larrabee, F. S., "The Rise of Political Islam in Turkey," Rand Corporation, (Vol. 726), (2008), http://www.rand.org/content/dam/rand/pubs/monographs/2008/RAND_MG726.pdf, (Accessed on May 15, 2013).

experience: Z. Onis "Crises and Transformations in the Turkish Political Economy,"[11] M. J. Patton "The Economic Policies of AKP Government: Rabbits from a Hat?"[12] C. Karakas "Turkey: Islam and Laicism between the Interests of State, Politics, and Society,"[13] D. Gurses "Microfinance and Poverty Reduction in Turkey".[14] These books and articles helped me in enriching my thesis with the different subjects of the Turkish experience and the points of strength and weakness in it.

For the Malaysian experience, there were many books and articles addressed the related aspects of it. One of the most helpful sources that I used in this model is the report issued by the Malaysian Prime Minister Department, Economic Planning Unit. This report was issued in 2004 and titled "Malaysia: 30 Years of Poverty Reduction, Growth and Racial Harmony." In this report, the Economic Planning Unit tried to reveal the efforts that had been undertaken by the Malaysian policymakers for alleviating poverty inside the Malaysian community which had existed for more than thirty years. This report also details the governmental selected strategies that had been adopted to achieve that goal. In addition, it highlighted the roles of the ongoing developmental plans to get rid of the critical problem of poverty, like New Economic Policy, (NEP), New Developmental Policy, (NDP), and Vision 2020. Hence, these plans contributed significantly to the reduction of the high rates of poverty inside the

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[11]Öniş, Z., "Crises and Transformations in Turkish Political Economy," Turkish Policy Quarterly, 9, 54-61, (2010).
[12] Patton, M. J. "The Economic Policies of Turkey's AKP Government: Rabbits from a Hat?," The Middle East Journal, 513-536, (2006).
[13] Karakas, C., "Turkey: Islam und Laicism between the Interests of State, Politics, and Society," Peace Research Institute Frankfurt, No, 78, (2007).
[14]Gurses, D., "Microfinance and Poverty Reduction in Turkey," *Perspectives on Global Development and Technology*, *8*(1), 90-110, (2009).

Malaysian community and the accomplishment of high growth rates.[15] The Malaysian economic and social policies are also commonly analyzed by different authors in different articles and textbooks. For instance: A. H. Roslen "Income Inequality, Poverty, and Development Policy in Malaysia",[16] R. D. Snodgress "Successful Economic Development in a Multi-Ethnic Society",[17] M. A. K. Arrif "Economic Development in Malaysia: Pattern and Perspective", R. Heufres "The Politics of Democracy in Malaysia",[18] S. M. Hague "The Role of the State in Managing the ethnic Tensions in Malaysia: a Critical Discourse."[19] These articles helped me find suitable chapters with which I could compare the Turkish model.

There are different academic works about Turkey as a model for Egypt or for another country. The Brookings Doha Centre issued in February 2013 the article "Muslim Politics without Islamic State: Can Turkey's Justice and Development Party be a Model for Arab Islamists?" by Ahmet Kuru, the professor of International Relations at San Diego State University. Kuru in this article talked about the AKP's success in admiring the Middle East's' people. He stated that there was a poll done by Maryland University for different states that could be models for the Arab spring countries. 44 percent of the Egyptians preferred Turkey as a model for them while 1 percent chose Iran. Kuru in his article emphasized that talking about Turkey or another state as a model for Egypt does not mean that the Egyptian Islamic or liberal

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[15] Prime Minister's Department, "Malaysia, 30 Years of Poverty Reduction, Growth, and Racial Harmony," Federal Government Planning Centre, Economic Planning Unit, Malaysia, Putrajaya, (2004).
[16] Roslen, H. A., "Income Inquality, Poverty and Development Policy in Malaysia," School of Economics, Universiti Utara Malaysia, (2001).
[17] Snodgrass, Donald R., "Successful Economic Development in a Multi-ethnic Society: The Malaysian Case," No.503, Harvard Institute for International Development, Harvard University, (1995).
[18] Heufers, R., "The politics of democracy in Malaysia," *Asien*, *85*(1), p.59, (2002).
[19] Haque, M. S., "The Role of the State in Managing Ethnic Tensions in Malaysia A Critical Discourse," American Behavioral Scientist, 47(3), 240-266, (2003).

parties have to imitate or completely follow the whole parts of the Turkish experience because each state has its own characteristics. However, he argued that they have to be inspired by the Turkish model, particularly when related to the aspects of democracy, civil-military relations, and politicizing Islam, claiming that Turkey is a good model for Egypt in these issues. Kuru proposed the Egyptian politicians adopt what he called 'pragmatic understanding of Muslim politics' and to stand on a place somewhere between Islamism and assertive secularism emphasizing that such understanding was a critical factor behind the success of the AKP.[20]

Another work written by Murat Aktas is titled-as "Can Turkey be a Role Model for the Muslim Countries." He emphasized the historical role of Turkey in the Arab countries since the presence of Ottomans till this role was weakened after the World War 1 and the consequent explicit absence of it. He saw that the Turkish role began to be restored in the region through the government of the AKP, particularly after the position taken by Turkey in the Palestinian cause and as a trusted mediator by different actors in the Middle East. He then discusses the Arab Awakening which was triggered in different Arab countries in order to end the different aspects of corruption by theauthoritarian regimes. In these countries, there were ongoing calls for the so-called 'Turkish model' through the AKP government and that model was represented by democracy, economic reform, and political Islam. To indicate that there is a positive opinion about the AKP in the Arab countries, he cited a survey done in 2009 by Turkish Economic and Social Studies Foundation, (TESEV), in different Arab countries revealing that 75 percent of the respondents have a positive view of Turkey, 61 percent of them see Turkey as a model for their countries and 66

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[20] Kuru, T. A., "Muslim Politics Without an "Islamic" State: Can Turkey's Justice and Development Party Be a Model for Arab Islamists?," Brookings Doha Centre, (2013).

percent considered that Turkey represented a successful blend of Islam and democracy. Aktas argued that there are three points of view about Turkey as a model inside the Arab countries. The first group, which consists of the secular elites in the Middle East, sees Turkey as a model with respect to the ability of its military commanders to control any process of modernization under their tutelage. The second group, which consists of the different Islamic movements in the region, considers Turkey as a model in different aspects. They believe that the last decade of Turkey's transformation through the AKP's government could be seen as an example of an elected government that succeeded in reconciling Islam and democracy, achieving economic development, and consolidating rule of law. The third group, which consists of the masses, looks to Turkey as an inspiration for their countries, especially with regards to democratic transformation, liberal political life, and vibrant economic development. He added that this group to a large extent admires the Turkish social and cultural life that was depicted in different Turkish series which pervaded this region in recent years. Aktas concluded his point of view for 'Turkey as a model' when he stated that, "Turkey constituted a good example for Muslim countries in the region."[21]

In her article, "A Turkish Model in the Middle East," Marleen Verhagen discusses the historical and dynamic role of Turkey in the region of Middle East. She argued that this role reached its peak through the tenure of AKP since 2002, according to different factors, especially the so-called 'zero problems' strategy. Verhagen emphasized that the Turkish attitude toward the Arab Uprisings was to a large extent positive since Turkey stood with the revolutionary peoples; although, this positionhas

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[21] Aktas, M., "Can Turkey be a Role Model for the Muslim Countries?," 2011 2nd International Conference on Humanities, Historical and Social Sciences IPEDR vol.17, ACSIT Press, Singapore, (2011), http://www.ipedr.com/vol17/30-CHHSS%202011-H10018.pdf, (Accessed on July 31, 2013).

led to negative side effects for example, the situation in Syria .While discussing Turkey as a model for Arab Spring countries, especially Egypt, she mentions that it is her opinion that "Turkey's transformation under the AKP has not been the kind of radical social overhaul being sought in the Arab world." She also believes that there were external pressures from the EU in order to introduce different reforms, particularly when related to civil-military relations, and these pressures are lacking in the Arab world countries. However, she found that the Turkish model in the region is supported by different local and international actors and she holds that this model could inspire the different or opposing groups in these countries. "Both secularists and Islamists seem to find a certain representation of their interests in the Turkish system. Whereas secularists admire the republican framework separating religious and political affairs, Islamists feel strengthened by the prominent position of the Islamic AKP within the Turkish republican system". She agrees with Dinc (2011) when he says that "Turkey provides an attractive political and economic model for both secularists and Islamists in the region".[22]

In December 2011, there was an issue for Carnegie Europe titled "From Inspiration to Aspiration: Turkey in the New Middle East," by Sinan Ulgen. In his research Ulgen exposed the different aspects that were put on the scholars' agenda when discussing Turkey as a model for the Arab Spring countries. These aspects were characterized as secularism, democracy, and political Islam, civil-military relations, market-state relations, links to the west, and the state tradition. He argued that there exist many differentiating features between Turkey and the Arab Spring countries

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[22] Verhagen, M., "A "Turkish Model"in the Middle East? Consequences of the Arab Spring for Turkey's regional position and international partnerships," İktisadi Kalkınma Vakfı, no: 5, (2012), http://www.ikv.org.tr/images/upload/data/files/marleen_paper_arab_spring(1).pdf, (Accessed on August 5, 2013).

thus the Turkish experience could not be replicated in these countries. He saw that regardless of the fact that many scholars prefer to use the term model or inspiration, "Turkey has a lot to contribute in the effort to support, sustain, and consolidate democracy and state building in the Middle East". He believes that this role can be revealed when these countries are inspired by the Turkish experience, particularly related to the aspects of political parties' reforms, security sector reforms, better route for economic integration in MENA, financial reforms, housing reforms, and private sector development. Ulgen concluded that Turkey has to gradually improve itself in order to still provide this inspiration, especially in the aspect of democratic consolidation and strengthening the role of state institutions. [23]

In his article "The Struggle to Define the Egyptian Revolution" published by Foreign Policy, Nathan J. Brown, the professor of Political Science and International Relations at George Washington University, said that there was universal calling for what happened in Egypt in 2011 to be defined as a 'revolution'. He considered that the credibility and factuality of this event could not be measured after a such short time as a 'revolution,' because the coming months and the political and economic reforms are the only dynamics that would be able to determine if what happened was a 'revolution' or not. He expressed optimism for the future of Egypt; although, there were many attempts to stall the different reforms after that 'revolution'. Brown attributed his optimism to three reasons: the presence of wide consensus among Egyptians that there is need for comprehensive change, the expansion of the 'Egyptian revolution' from the place of Al-Tahrir Square into different Egyptian

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[23]Ulgen, S., "FROM INSPIRATION TO ASPIRATION: Turkey in the New Middle East," Carnegie Europe, Carnegie Endowment for International Peace, (2011), http://carnegieendowment.org/files/turkey_mid_east.pdf, "Accessed on August 6, 2013).

institutions, unions, professional associations, and media outlets, and the fact that this 'revolution' "has set a spirit of hopefulness and activism that will be difficult to contain".[24]

Before one year of the Arab uprisings had passed, the Insight Turkey issued an article by Emad Y. Kaddorah titled by, "The Turkish Model: Accessibility and Apprehension". Kaddorah argues that the idea of Turkey as a model is addressed by the Islamic parties in the Arab world and the West particularly the United States. He stated that there are different factors that made Turkey and specifically the AKP more admirable in the view of these actors such as political stability, freedoms based on fundamental reforms, and economic growth based on a free-market economy. The author went on to mention briefly the history of the political Islam in Turkey and the ideological definition of the AKP as a conservative democratic party and the special relationship between the AKP and the Gulen party in Turkey. Kaddorah then emphasized that after years of the AKP's government, there were many invitations by the AKP leaders for the world to promote the experience of the AKP, as shown by a statement from the President Abdullah Gul that "A country with a Muslim identity can be democratic, transparent, and can be a comfortable in a modern world. We will prove this". Then the author details the two actors that were behind the marketing for the Turkish model, Arab Islamic parties, and the West. With the Arab Islamic parties, the author believes that these parties are seeking to be inspired by the AKP's model to be actively involved in the democratic process, but argued that these parties could not be able to emulate the whole Turkish model because of many reasons, some of which include the absence of the European factor in these countries which had an

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[24] "The Struggle to Define the Egyptian Revolution, *Foreign Policy*, http://mideast.foreignpolicy.com/posts/2011/02/17/the_struggle_to_define_the_egyptian_revolution, (Accessed on August 10, 2013).

effective role in the Turkey, the absence of compatibility between the agendas of these parties and the European ones especially towards the Arab-Israeli conflict, the inability of Islamic parties in the Arab world to abandon the constituencies' requirement with the application of Islamic law; and the fact that Turkey had historic relations with Israel which were not introduced by the Turkish Islamic parties, relations which it would be impossible for the Islamic parties in the Middle East to normalize with Israel. As a result of this, Kaddorah came to the conclusion that the Islamic parties in the Arab world can get benefit from this experience with relation to the fact that the Islamic parties are reliable, able to provide stability when acceding power, and have a successful governing experience. However, these parties cannot imitate or emulate the Turkish experience. With regards to role of the West as a promoter of the Turkish model, the author explained that Obama's choice for the Turkish parliament to give his speech for the Muslim world indicated many positive signals. Former U.S Defense Secretary, William Cohen, explained this event, stating that President Obama was an advocate for Turkey to be a model for different Islamic countries, and that Turkey sent "a very important signal to the rest of the Muslim world that US is not an anti-Muslim nation that is working hand in hand with the US". Nevertheless, it should not be ignored that US has its own concerns about what is known as the 'hidden agenda' of the AKP to be more committed to Islam and to re-orientate the politics of Turkey in the future. Kaddorah argued that the distinctive features of the AKP, as well as the Western fears of losing a strong moderate partner in the Middle East, made the West more supportive for the Turkish model in order to ensure a friendly engagement in the region.[25]

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[25]Kaddorah, E. Y., "The Turkish Model: Acceptability and Apprehension," *Insight Turkey*, *12*(4), 113-129, (2010).

The Middle East Policy published in 2011 "The Turkish Example: A model for Change in the Middle East" by Seymen Atasoy. In this article, the author attempted to focus on the Turkish process of democratic deepening which begun in the last decade and how this process could be useful for the countries in the Middle East that are living under the current efforts of democratization. He justified his choice of Turkey as a model by highlighting that it has a unique status as a Muslim majority country with an ongoing economic and political development based on the European model of liberal democracy. Moreover, the Arab people had noticed that there was a need for change in order to achieve the aspects of democracy and social equality achieved by the development occurring in Turkey through the government of AKP. The position of Erdogan toward the Palestinian cause has made him very popular in these Arab countries and should not be ignored. Atasoy claimed that Turkey had passed through two stages of consolidating democracy. The first one was represented during the period of 1923 till 2002 where democracy was controlled by what was known in Turkey as "military guardianship". Here, the democracy in Turkey was guarded by the higher authorities represented in the Turkish military, (TSK), and the Turkish judiciary. Since 2002, there has been democratic reorientation in Turkey and the elected governments begun to undermine the traditional dominance of the state bureaucracy over them. Thus, there was a real bid by the elected government to consolidate the principle of democracy by fostering more civil and political rights with fair and free elections. There was also critical attention by the AKP government to boost the principle of rule of law which is considered as the pre-condition of liberal democracy. Hence, "the rule of law protects political and civil liberties within a fair justice system in which laws are public knowledge, clean in meaning, and apply equally to everyone". Atasoy did not ignore that there was a real conflict

between the AKP elected government and the different secular actors in the state, stemming from the notion that AKP was trying to Islamize the Turkish state and that these actors stood as an obstacle in front of many proposed reforms to consolidate that principle. He emphasized that the reforms introduced by the AKP translated to real changes in the streets, changes which obviously merited the party in the elections of 2007 and 2011. After studying the case of Turkey and the long history of consolidating democracy, Atasoy proposed Turkey as an example for the different political Islam parties in the Middle East by presenting fifteen recommendations for these parties and how they could get benefit from the experience of the AKP. One of his recommendations is that these parties have to "encourage modernization from below, and do not attempt to impose it from above".[26]

There is another important article in this context written by Oğuzhan Goksel "Assessing the Turkish Model as a Guide to the Emerging Democracies in the Middle East". Goksel began to talk about the history of the process of modernization in Middle East and especially in Turkey which was introduced by the Kemalist elites. Then he talked about the prominence of the term 'Turkish model;' that began since the establishment of Turkey in 1930s and appeared also in 1990s. However, recently, and specifically after the commencement of the Arab uprisings, the term 'Turkish model' has filled the different pages of newspapers and magazines and different scholars have put it on their agendas. Goksel mentioned that there are different groups that have different understandings of the notion of the 'Turkish model', thus some of them prefer Turkey before 2002, before the political victory of the AKP, and

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[26]Atasoy, S., "The Turkish Example: A Model for Change in the Middle East?," *Middle East Policy*, *18*(3), 86-100, (2011).

the others prefer Turkey as a model after 2002, particularly the AKP model. Therefore, the main goal of this work is to find a moderate understanding in order to "offer a synthesized version which better fit the demands and needs of the Arab peoples". He considered that any researcher that attempts to study the 'Turkish model' and how the Middle Eastern countries could get benefit of it, has to understand the dynamics behind the popularity of the Turkish model within these countries. These dynamics can be categorized as the Turkish achievement of high growth rates in recent years, the increase of the Turkish popularity in the region as a result of the Turkish position in the Arab causes, public interest which was shown by the peoples of these countries, the Turkish synthesis of the economic development and democratization and the cultural affinity between the Turkish and Arab societies. In this work, Goksel to a large extent, does not differ from the previous authors in this aspect; he also states that exploring Turkey as a model for the Arab Uprising countries does not mean that these countries have to completely follow the Turkish experience because there are socio-economic, cultural, and political differences between Turkey and these countries. Instead, Turkey could present different lessons for these countries, such as passing the stage of democratization, and that these lessons are focused in the sectors of integration into the global market,transition to market economy, rapid economic growth to overtake the population growth and reduce unemployment, efficient governance and accountable government, and,the most importantly, the re-organization of the relations between political Islam, secular parties and citizens and the military in the post-revolutionary atmosphere.[27]

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[27]Göksel, O., "Assessing the Turkish Model as a Guide to the Emerging Democracies in the Middle East," *Ortadogu Etüdleri*, *4*(1), 99-120, (2012).

There is no academic work which addresses the possibility of Malaysia as a model for Egypt, but there are many about Malaysia as a model for other countries like Jordan and Tanzania. There was issue by the Journal of Humanities and Social Sciences in 2012 by Fakhri R. Khadar titled "The Malaysian Experience in Developing National Identity, Multicultural Tolerance and Understanding through Teaching Curricula; Lessons Learned and Possible Applications in the Jordanian Context." Khadar in this article talks about the distinctive multi-ethnic nature of the Malaysian community which can be attributed to British colonization in the last century. He also studied the severe ethnic tensions that occurred in Malaysia in 1960s and that victimized hundreds of people. Khadar stated that there is an important method adopted by the Malaysian government in order to overcome the ethnic problem inside the Malaysian community, and that method is the emphasis on the role of education. Thus, the educational curriculums were designed to teach the students the culture of acceptance and tolerance. Khadar in his article suggested the Jordanian government to get benefit from the Malaysian model to mitigate the ethnic trends between the Jordanians and Jordanians with Palestinian origins to avoid any clash between them in the future.[28]

With respect to the aspects of political and economic change, they occur simultaneously and each one affects the other. If one aspect of these changes occurs without the other, tensions are created that have serious side effects. As evidence of this, take the rapid economic changes occurred in China that has directly forced the government to introduce political changes. So far, the authoritarian government has resisted those changes. Different types of political and economic changes are

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[28]Khader, R. F., "The Malaysian Experience in Developing National Identity, Multicultural Tolerance and Understanding through Teaching Curricula: Lessons Learned and Possible Applications in the Jordanian Context".*International Journal for Humanities and Social Sciences*, 2(1), 270-288, (2012).

considered in the realm of politics. The first of these is, "reform," which is a type of change that does not support the overthrow of central institutions. Instead, reformers are seeking to change some of the ways that political and economic leaders reach to the required goals that the society generally accepts. Second, "revolution," which is in contrast to reform, implies change at a more critical level, and involves either a foremost revision or an overthrow for the existing institutions. A last type of change is characterized as, "coup d'états" which usually represent the most restricted of the three kinds of change. Literally, those responsible for these coups replace the leadership of a state with new leaders. There are different attitudes toward the political change. There is the view of "radicalism" which carries the "belief that rapid, dramatic changes need to be made in the existing society". Another view for change is held by the "liberals" who support reform and gradual change rather than revolution. Furthermore, there is the conservative voice, which is "much less supportive of change in general than are radicalism and liberalism". "Conservatives" tend to see change as disrupting, and they emphasize the fact that it sometimes brings non-predictable outcomes. Finally, there are the reactionary beliefs which go further to stand against change than do conservatives. "Reactionaries" are similar to the conservatives in opposing both revolution and reform, but they "differ in that they also find the status quo unacceptable".[29]

This research is going to use the term 'Egyptian uprising,' which as Brown stated, is more appropriate than term "revolution", used by the different international actors and agencies, but which cannot be verified as such until future events unfold, determining whether the "revolution" has been successful or not. The latest events in

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[29]"Political and Economic Change," Princeton High School, http://phs.prs.k12.nj.us/ewood/AP_COMPA/CHANGE.HTM, (Accessed on August 15, 2013).

Egypt made many scholars like Cook and Crooke skeptical about the revolution and they contend that there are signs of a 'deep state' and different trials of the previous regime to practice an 'anti-revolution'.[30]The word 'uprising' was used by different scholars such as Verhagen, Iseri & Delik, Goksel, and Cagapty & Pollok. After studying the previous articles, it is evident that there is consensus among the different scholars Kuru, Aktas, Goksel, Kaddorah, Khadar, Atasoy, Verhagen, James, and Ulgen about the importance of studying the Turkish and Malaysian experiences.On the other hand, these scholars do not intend for Egypt to imitate or completely follow these experiences but rather to be inspired by them. Additionally, different scholars like Vehagen, Kaddorah, and Goksel emphasize that the lessons of these experiences are not to be proposed for the Egyptian policy makers at all; rather it is for the Islamic and liberal parties that may get benefit of them.[31] Therefore, the researcher will study these experiences in order to know how the Islamic and liberal parties can get benefit from them by presenting different lessons for both parties in order to be able to overcome the ongoing challenges that have faced Egypt.

There are various sources related to the Turkish and Malaysian experiences but there is lack of sources which talk about these experiences as models for Arab Spring countries especially for Egypt. Therefore, I tried to analytically compare the two

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[30] "Top of the Agenda: Egypt to Release Mubarak as Violence Continues, *Council on Foreign Relations,* http://links.cfr.mkt5175.com/servlet/MailView?ms=NDIzNDc1MDUS1&r=NTA0ODM1MTcyNzQS 1&j=MTk5NTAyMjE3S0&mt=1&rt=0, (Accessed on August 20, 2013).
[31]See also 1- İŞERİ, E., & DİLEK, O., "Beyond a Turkish Model in Transforming the Penetrated Middle East: The Nexus of Domestic Authority and International Prestige,' ORTADOĞU ETÜTLERİ, 119, (2012). 2- Robinson, F., "FPC Briefing: Turkey – Role Model or Regional Bully?," The Foreign Policy Centre, http://fpc.org.uk/fsblob/1432.pdf, (Accessed on August 26, 2013). 3- Bank, A., &Karadag, R., "The Political Economy of Regional Power: Turkey under the AKP," German Inistitute of German and Area Studies, (2012), http://www.giga-hamburg.de/dl/download.php?d=/content/publikationen/pdf/wp204_bank-karadag.pdf, (Accessed on August 26, 2013).

experiences to find out solutions for the urgent challenges for Egypt.

Chapter2

DIAGNOSIS FOR THE EGYPTIAN SITUATION AFTER THE UPRISING

2.1 Preface

On 23rd of July 1952, the group of Free Officers succeeded in a military coup against the royal family represented by the king Faruk, the king of Egypt and Sudan, and the last king of Mohammad Ali family. Free Officers in their first statement emphasized that their primary goal was to rescue Egypt from corruption, establish a democratic order and a republican regime, and protect sovereign rights of Egypt. They appointed the major-general Mohammad Najeeb who continued for two years till the troubles between him and the Free Officers forced him to leave the presidency for Jamal Abdul Nasser, who received the governance from 1954 and remained till 1970.[32]

Nasser's era was characterized by four stages. The first stage witnessed a real demand to filter the Egyptian opposition, especially the Muslim Brotherhood. He then established the National Union which was considered as an Egyptian political alternative because Nasser banned the political parties during his era. After that, there was the stage of Nasser's socialist project when he founded the Arab Socialist Union as another choice of the National Union and this stage ended by the 1967's defeat. The final stage of Nasser witnessed a significant decline in Nasser's project and his national trends ended by his death in 1970.

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[32]"Egypt between two revolutions: From Military to Civil," *Al-Masry Centre for Studies and Information,*http://www.almasryalyoum.com/node/1002451, (Accessed on March 4, 2013).

The former vice president for Nasser, Anwar Al-Sadat became the Egyptian president in 1970 and this president acquired a unique legitimacy after the victory of 1973's war. Sadat's era was highlighted by the concrete change of the trends of the Egyptian foreign policy,which could be traced in his relationshipwith USA and the West. He considered the West as a strategic partner that would be an alternative to the Soviet Union (the Socialist block), especially after the sign of the peace treaty between Egypt and Israel in 1978. After the assassination of Sadat in 1981, his vice president, Husni Mubarak recognized the reins of power, thus his term of office is considered as the longest, continuing for three decades "1981-2011". Through these three decades, the Egyptian political system did not witness any real democratic transition and the political life was characterized as a state of inertia. It was seen that the presence of the democratic aspect had been expanded and narrowed according to the will of the ruling authorities.[33]

2.2The Egyptian Uprising

The Egyptian uprising began on 25th of January, 2011 owing to many of public demonstrations, which filled several Egyptian streets and squares especially Al-Tahrir Square. The apprising took social and political nature. Thus, the most important goal was to challenge the aggressive behavior of the Egyptian policemen and to protest against the living, economic, and political difficulties. Most importantly, it was against what considered as the non-precedential corruption through the tenure of Husni Mubarak. The rates of protests increased dramatically especially on the day of January, 28 because of the tremendous numbers of people

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[33] Ibid.

who filled the main Egyptian squares, causing lack of security and incursion for many prisons.[34]

This uprising led to the overthrown of Mubarak on February 11, 2011, thus the vice president, Omar Suleiman, announced that he would step down and designate the Supreme Council of the Armed Forces, (SCAF), to manage the Egyptian affairs. The majority of political parties that participated in the uprising declared the continuity of protests till achieving the social goals, which were the critical factors behind that uprising.[35]

2.3 The Challenges have Faced Egypt after the Uprising

The Egyptian uprising was seen as a turning stage in the history of the Middle East. Thus, the Egyptians could overthrow Mubarak after decades of being under suppression and dictatorship. There were many points of view that as the uprising was creative in its methods, the Egyptian policy makers have to be creative also in finding out the urgent solutions for the critical challenges began to reveal after the uprising.[36] Many Egyptian scholars and organizational reports agreed that the most critical challenges can be sorted by looking at:

1- The political and ethnic instability;[37]

2- The presence of political Islam movements in Egypt;[38]

3- The recession of the Egyptian economy;[39]

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[34]"The History of the Egyptian Revolution," *Egyptian Presidency, State Information Service*, http://www.sis.gov.eg/ar/LastPage.aspx?Category_ID=1788, (Accessed on March 2, 2013).
[35] Ibid.
[36] "Challenges after the Egyptian Revolution," *Aluka,*http://www.alukah.net/culture/0/32106/, (Accessed on February 22, 2013).
[37] See 1- "Challenges after the Egyptian Revolution," *Aluka*, http://www.alukah.net/culture/0/32106/, (Accessed on February 22, 2013). 2- "The Political Stability and the Egyptian Economy," *Al-Jazeera,*http://www.aljazeera.net/ebusiness/pages/ca1098d8-d42f-460c-9fdf-795f7987e951, (Accessed on February 22, 2013).
[38] See 1- "The Map of Political Forces in Egypt after the Revolution," *Modern Discussion*, http://www.ahewar.org/debat/show.art.asp?aid=323419, (Accessed on 2 March, 2013). 2- "Egyptian Elections: Democratic Transition with an Islamic Horizon," *Al-Bayan*, http://albayan.co.uk/MGZarticle2.aspx?ID=2161 (Accessed on March 3, 2013).

4- And, poverty and high rates of unemployment.[40]

2.3.1 Political and Ethnic Instability in Egypt

On February 11, 2011 Mubarak stepped down and the Supreme Council of Armed Forces, (SCAF), was handed over the power. SCAF suspended the previous parliament and decided to make a referendum for a new constitutional declaration. This referendum was accepted by 77 percent of the Egyptians. The months of September, October, and November in 2011 witnessed many clashes, especially in Al-Tahrir Square, which invited the SCAF to intervene. Hence, these clashes caused a number of deaths and wounded. In spite of these clashes during these months, there were successful legislative elections and the results were declared on January 22, 2012.[41]

The results of these elections revealed the popularity of the Islamic parties that achieved 77 percent of the seats because they were well prepared and funded. The political instability in Egypt intensified after the historical judgment of the Administrative Court which dissolved the elected parliament justifying that there were many constitutional defects marred the legislative elections. The presidential elections happened in May and June, 2012 led to the winning of Mohammed Morsi, the Candidate of Muslim Brotherhood, who became the first civilian president for Egypt and he took office on June 30, 2012. The political tensions renewed after one week of his rule when he issued a decision to return the dissolved parliament which triggered the anger of many opposition parties and his decision was refused by the

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[39] See 1- "The Egyptian Economy: Challenges and a Vision for Priority," *Al-Ahram*, http://digital.ahram.org.eg/articles.aspx?Serial=1157639&eid=14049 (Accessed on March 2, 2013). 2- "Egypt Struggles as Joblessness Soars," *Financial Times*, http://www.ft.com/intl/cms/s/0/8610cd4e-80c5-11e2-9c5b-00144feabdc0.html#axzz2MbqeC800, (Accessed on March 3, 2013).

[40] See 1- "Egypt Overview", *The World Bank*, http://www.worldbank.org/en/country/egypt/overview, (Accessed on June 29, 2013). 2- "The Increase of Poverty in Egypt to be 25%," *BBC*, http://www.bbc.co.uk/arabic/business/2012/02/120128_poverty_in_egypt.shtml (Accessed on March 2, 2013).

[41]"Political Instability in Egypt," *Foundation for Defense of Democracies*, http://www.defenddemocracy.org/political-instability-in-egypt/, (Accessed on June 30, 2013).

Supreme Constitutional Court. On August 12, 2012 the former President Morsi fired the previous commanders of SCAF and issued a new constitutional declaration.

One of the most significant factors behind the recent political instability in Egypt was the crisis of the new Egyptian constitution.[42] Morsi tried to speed up the preparation of the constitution by issuing a declaration giving himself all the legislative, judicial, and executive powers. The new constitution was approved by a referendum, but the protests against this constitution filled the main squares in Egypt.[43]

On the second anniversary of the uprising there were many protests demanding for achieving the uprising hopes and these protests were around the presidential palace causing many deaths and wounded.[44] On June 30, 2013, there were protests against the former President Morsi in the first anniversary of his rule and these protests continued for days. The Egyptian military intervened on the fourth day of the protests ousting the former President Morsi and suspending the constitution. This action triggered the anger of Morsi's proponents and they demonstrated against this decision in different cities of Egypt.[45] This political instability in Egypt influenced severely the Egyptian Pound which lost 20 percent of its value. Moreover, these tensions influenced the foreign investment and tourism sectors which are the key dynamics behind any economic recovery.[46]

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[42] Ibid.

[43] Ibid.

[44] Ibid.

[45] "Egyptian military ousts Morsi, suspends constitution," *The Washington Post,*http://articles.washingtonpost.com/2013-07-03/world/40336012_1_president-mohamed-morsi-wednesday-night-morsi-rally, (Accessed on July 8, 2013).

[46]"Political Instability in Egypt," *Foundation for Defense of Democracies'*, http://www.defenddemocracy.org/political-instability-in-egypt/, (Accessed on June 30, 2013).

But as for the ethnic instability, the Copt proportion of the Egyptian society remains a controversial issue. In 2012, there was a statement for Abu Bakr Al-Jondy, the head of the Central Statistical Organization, that the Egyptian Copts counted 5.130.000 which forms 5.7 percent of the population. The Coptic Church refused thesestatistics considering it as an old one. The Church argued that this percentage is prepared in order to achieve political agendas and to influence the Coptic's national rights.[47] Since 1970, there have been many ethnic tensions between the Muslims and the Coptic in Egypt, which happened in different places among the Egyptian cities. These tensions caused hundreds of deaths and thousands of wounded.[48] Although many politicians argued that the Egyptian uprising would be a turning point in the sake of ending the era of ethnic tensions, the transitional period after the uprising and the rise of these tensions proved that this issue still dangerous and may be triggered any time. This attributed to the absence of governmental effective treatment and the scarcity of legislative, cultural, and security solutions to be able to end these tensions permanently.[49] Al-Anany stated that the latest ethnic tensions in Egypt attributed to the absence of political stability. Thus, this absence reflected the fiasco of the political elites to find out a political compromise to avoid such types of tensions.[50]

2.3.2 The Presence of Political Islam in Egypt

In a conservative state like Egypt, there are three Islamic major currents, which acquire a big percentage from the public. Additionally, it is possible to cooperate

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[47] "The Proportion of Coptic is Controversial," *Al-Jazeera*, http://www.aljazeera.net/news/pages/a0f19a22-3054-4058-ab46-9585f5c94409, (accessed on June 28, 2013)
[48] "Egyptian's Ethnic Tensions: Notable Moments," *Al-Jazeera,* http://www.aljazeera.net/news/pages/5841dee5-3416-46de-aae2-f0a2010cede0, (Accessed on June 28, 2013).
[49] "The Ethnic Tensions in Egypt after the Revolution," *Al-Arabiya,*http://www.alarabiya.net/articles/2012/11/01/247031.html, (Accessed on June 28, 2013).
[50]"The Ethnic Violence in Egypt," *Al-Arabiya*, http://www.alarabiya.net/ar/politics/2013/04/19/.html, (Accessed on June 28, 2013).

with each other in any political process because these currents have a considerable importance and influence in the Egyptian street. These three currents are:[51]

1- **Salafist forces**: this Islamic current is inspired by the ideas and beliefs which attributed to what so called "Salafs" considering themselves as the representatives of the Prophet Mohammad's 'Sunna'[52]. They claim that their first reference is the holly Qur'an and the traditions of the prophet Mohammed. They emphasize that their approach is not 'human made,' but it is the real and pure Islam because of its adhering to the Prophet Mohammed and his 'companions' instructions'.[53]

The Salafist approach included many parties before the uprising: Al-Jamiyyah Al-Shariyyah;Ansar Al-Sunnah Al-Mohammadiyyah; Al-Salafiyyah Al-Modkhaliyyah; Al-Da'wa Al-Salafiyyah; Al-Salafiyyah Al-Harakiyyah; and Independent Salafists.[54] After the uprising there were many of the Salafist parties that were represented as: Al-Nour Party; Al-Asala Party; Al-Islah Party; and Al-Fadyla Party.[55]

2- **Muslim Brotherhood**: this force considered as one of the oldest political Islamic movements in Egypt, established by Hasan Al-Banna. Their rules of procedure look forward economic, political, and social reform through a complete Islamic vision. Since its establishment, there was a perceived connection between their religious principles and the political ideas. After the uprising, they were represented by the Freedom and Justice Party.[56]

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[51] "The Map of Political Forces in Egypt after the Revolution," *Modern Discussion*, http://www.ahewar.org/debat/show.art.asp?aid=323419, (Accessed on 2 March, 2013)
[52] This term is defined by the "traditions and deeds that belonged to the Prophet Mohammed's life".
[53] "Salafists in Egypt,"*Al-Bayan*http://ali-abdelal.maktoobblog.com/, (Accessed on March 4, 2013).
[54] The Map of Political Forces in Egypt after the Revolution," *Modern Discussion*, http://www.ahewar.org/debat/show.art.asp?aid=323419, (Accessed on 2 March, 2013).
[55] "Salafists in Egypt,"*Al-Bayan*http://ali-abdelal.maktoobblog.com/, (Accessed on March 4, 2013).
[56] The Map of Political Forces in Egypt after the Revolution," *Modern Discussion*, http://www.ahewar.org/debat/show.art.asp?aid=323419, (Accessed on 2 March, 2013).

3- **Al-Wasat party**: this party belongs to a big extent to the same ideas and principles of the Muslim Brotherhood because many of its founders are dissidents of it. Nevertheless, the distinctive feature of this party is its obvious belief and full acceptance for the civil state and citizenship. Its vision is a mix between what they called'originality and modernity'.[57]

The strong presence of the Islamic political parties in Egypt appeared after the elections by achieving more than 70 percent in the elections of parliament, Al-Shura council, and so a result of the former President Mohammed Morsi, the candidate of Muslims Brotherhood and Freedom and Justice Party who won the presidential elections in 2012.[58]

2.3.3   The Recession of the Egyptian Economy

The Egyptian economy is considered as the biggest one in the region of North Africa. The gross of national product reached 500.9 billion dollar in 2010, characterized by its diversity that includes agricultural, industrial, tourism and service sector. The number of the workforce is 26.1 million in 2010, 51 percent on the service sector, 32 percent in the agriculture, and 17 percent in the industrial one. The Egyptian economy depends on agriculture, which considered as the most important income, and itwitnessed a continuous development thus the value of the agricultural exports increased from 471 million Egyptian pounds in 1980s to 7.89 billion Egyptian pound in 2000s. Egyptian economy also depends on Al-Suez Canal revenues, tourism, taxes, cultural and media production, petroleum exports, and the remittances of the overseas workers numbering more than three millions mostly concentrated on the

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[57] Ibid.
[58] "Egyptian Elections: Democratic Transition with an Islamic Horizon," *Al-Bayan*, http://albayan.co.uk/MGZarticle2.aspx?ID=2161, (Accessed on March 3, 2013).

Arab Gulf states, USA, Europe, and Australia. After the uprising, there were serious trials by the government to restore the economy toward the right track[59]

There were no explicit developmental and economic strategies through the thirty years of Mubarak's regime. Thus, the dynamics of corruption, price rises, and privatization were the sparks of the January, 25 uprising. The Egyptian Economic expert Ahmad Elsayyid Al-Najjar explained in his book "The Economic Collapse through the Mubarak's Regime: the Facts of Corruption, Recession, and Debts" that the economic situation through the tenure of Mubarak was the worst since 1952. He considered that the different governments came through this tenure were compliant with the policy of privatization which was marred by many corrupt uses and they did not introduce developmental and reform policies. He emphasized that there was systemic corruption within the privatized enterprises pro the ruling party leaders and certain businessmen; hence, this policy crushed the middle class in Egypt and created a parasitic class and broadband class of poor and unemployed.[60]

The economic challenge after the uprising led to many economic problems. First, the decline of economic growth rates which attributed to the decline of tourism sector contributions, manufacturing, wholesale and retail trade; as well as, the decline of growth rate to be less than the population growth rate leading to the decline of average per capita. Second, the increase of budget deficit from 7.8 percent of the gross national product to be 11percent and the increase of the domestic public debt to be 894 billion Egyptian pound with 57 percent of GNP. The Egyptian government

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[59]"Vision for the Modern history for Egyptian Economy," *Egyptian Presidency, State Information Service,* http://new.sis.gov.eg/Ar/Templates/Articles/tmpArticles.aspx?CatID=410, (Accessed on March 1, 2013).
[60]"Economy under Mubaraks' Regime: The Worst since 1952," *Al-Jazeera,* http://www.aljazeera.net/ereports/pages/e46b32f8-cc0c-4bc6-acbb-a738d58ab837, (Accessed on July 31, 2013).

began to borrow internally to complete this deficit by issuing bonds and bills to decrease the available credit but this negatively influenced the production quality, and the available jobs. Third, the governmental support for goods captures 25 percent of the state's public expenditure, which undermines the ability of the state to improve the sectors of health and education without ignoring the increase of unemployment's rates. Last but not least, there was a clear decline in the net of foreign direct investment, which belongs to the increase of the external flow of investment and the decline of the internal flow of investment. Thus, the net of foreign direct investment reached to a negative value in the second quarter of the financial year "2011-2012". These challenges coincided with the overvaluation of the categorical demands expressed by the daily demonstrations and sit-ins leading to a continuous undermine for the wheel of production.[61]

2.3.4   Poverty and High Rates of Unemployment

Abu Bakr Al-Jondi, the head of Central Agency for Public Mobilization and Statistics, held a press conference on January, 2013 announcing the rates of poverty in Egypt. He stated that there is a perceived increase in the rates of poverty reached to 25.2 percent through 2010-2011.He added that these statistics are according to the average of monthly income, which is less than 40.6 dollar or less than 2 dollars income per-day. The statistics ensured that the percentage of poverty in rural areas of upper areas of Egypt reached to 51.4 percent and to 17percent on the rural areas of Egypt.[62] But as for unemployment and according to the statistics of the World Bank, the rates of unemployment in Egypt had increased to be 13% on the fourth quarter of

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[61]"The Egyptian Economy: Challenges and a Vision for Priority," *Al-Ahram*, http://digital.ahram.org.eg/articles.aspx?Serial=1157639&eid=14049, (Accessed on March 2, 2013).
[62] "The Increase of Poverty in Egypt to be 25%," *BBC*, http://www.bbc.co.uk/arabic/business/2012/02/120128_poverty_in_egypt.shtml (Accessed on March 2, 2013).

2012.[63] The economist Samir Radwan, the first minister of economy after uprising, stated that the real average of unemployment among those of less than 30 years old is like a time bomb expecting the increase in these rates in the future because of the absence of any indicator for improvements in the Egyptian economy.[64]

2.4 Conclusion

This chapter aimed for a diagnosis of the current situation in Egypt. It started with a preface about the recent Egyptian history which, as many scholars argued, began after the revolution of 1952 against the monarchy role. Then it dealt with the history of the Egyptian uprising that happened in 2011 and the critical dynamics behind it, especially the dynamic of corruption. Then, there was a review for the most significant challenges that have faced Egypt since the uprising which represented in: the absence of political stability, the challenge of Islamic movements, the deteriorating economic aspect, and the high rates of poverty and unemployment. For the absence of political stability there was explaining for the most critical factors behind the current instable situation in Egypt which had begun since the first days of Mubarak's stepping down and intensified after the handover of power for the elected civil government. In the section of the challenge of the Islamic movements there was discussion for the perceived prominence of the Islamic movements after the uprising represented in different new Salafist and moderate parties. Then there was diagnosis for the current economic situation in Egypt which as many scholars argued that this sector is deteriorating and it was not forgotten to view the nature of the Egyptian economy through Mubarak's tenure. Finally, there was reviewing for different official sources talked about the high percentages of poverty and unemployment and

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[63] "Egypt Overview", *The World Bank*, http://www.worldbank.org/en/country/egypt/overview, (Accessed on June29, 2013).
[64] "Egypt Struggles as Joblessness Soars," *Financial Times*, http://www.ft.com/intl/cms/s/0/8610cd4e-80c5-11e2-9c5b-00144feabdc0.html#axzz2MbqeC800, (Accessed on March 3, 2013).

how these urgent problems were influenced by the deteriorating political and economic aspects. The following chapter is dealing with the aspects of the Turkish experience which are related to a big extent with the previous challenges that have faced Egypt thus the study would be for the aspects of political stability, politicizing Islam, the economic development, and the adopted strategies to alleviate the problem of poverty.

Chapter 3

TURKISH EXPERIENCE

3.1 Political Stability and Democracy in Turkey since 2002

The Republic of Turkey was established by Mustafa Kemal Ataturk in 1923. He abolished the institution of Caliphate and the previous Sultanate was put to an end. Since then Turkey has become a secular nation. Accordingly, it can be said that Ataturk was to a big extent inspired by the French Revolution. In his seeking to modernize the country as the 'European model,' he tried to alter all the aspects of the nation in all fields including the clothing of men and women. Moreover, he replaced the previous rules of Shari'a by adopting new penal codes benefiting from the Italian, French, Swiss, and German law. Ataturk introduced economic, political, and social reforms to make Turkey closer to the west instead of the historical partner represented in the Muslim Asian and African counties. Ataturk gave the right of vote to the Turkish women in 1934 before the French and the Swiss. By declaring the Turkish modern state, Ataturk established a "semi-military secular national state".[65]

Although it is not allowed for the Turkish military to intervene in the Turkish politics, the military intervened many times. The Turkish military interventions were observed in the military coups in 1960, 1971, 1980, and 1997. The Turkish military

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[65]Aktas, M., "Can Turkey be a Role Model for the Muslim Countries?,"2nd International Conference on Humanities, Historical and Social Sciences, p. 166, (2011), http://www.ipedr.com/vol17/30-CHHSS%202011-H10018.pdf, (Accessed on June 22, 2013).

commanders used to justify their interventions as they are the 'guardians of the secular state' and the Ataturk heritage thus the National Security Council was one of the significant agencies to protect that heritage.[66]

One of the most significant changes occurred on the Turkish politics in the latest years was the prominence of the Justice and Development Party, (AKP). The AKP won the elections in 2002 and achieved 34 percent, and its members in the parliament were 363 out of 550 because of the 10 percent threshold system.[67] Under AKP government, Turkey witnessed progress in different political, social, and economic sectors. The AKP fostered the principle of EU accession in its first term, and tried to label the leaders of the party as 'conservative democrats.'[68] Therefore, the AKP succeeded in attracting the voters who have been suffering from the corruption, political instability, and economic recession occurred during 1990s.[69] Hence, the golden age of political stability and economic growth was during 2002 and 2005. However, the period after 2005 was less impressive especially when related to the aspects of political stability and reform orientation.[70] The determinants of political stability through the rule of the AKP can be analyzed in: 'the nature of

[66] Joppien, CH., "A Reinterpretation of Tradition? - The Turkish AKP and its Local Politics," Hamburg University, p.3, (2011), http://www.lse.ac.uk/europeanInstitute/research/ContemporaryTurkishStudies/Paper%20CJ2011.pdf, (Accessed on June 21, 2013).
[67] Çelik, A. P., & Naqvi, L, "Turkey: Current and Future Political, Economic, and Security Trends," Canadian Defense and Foreign Affairs Institute, p.1, (2012), http://www.cdfai.org/PDF/Turkey%20Current%20and%20Future%20Political,%20Economic%20and%20Security%20Trendsb.pdf, (Accessed on June 19, 2013).
[68] Aktas, M., "Can Turkey be a Role Model for the Muslim Countries?,"2nd International Conference on Humanities, Historical and Social Sciences, p. 166, (2011), http://www.ipedr.com/vol17/30-CHHSS%202011-H10018.pdf, (Accessed on June 22, 2013).
[69] Cagaptay, S., "The November 2002 elections and Turkey's new political era," *Middle East*, *6*(4), 43, p.42, (2002).
[70] Öniş, Z., "Crises and Transformations in Turkish Political Economy," *Turkish Policy Quarterly*, *9*, p.54, (2010).

the government';[71] civil and military relations; the Kurdish issue; and respect to human rights and democratic values.[72]

3.1.1 The Nature of the Government

The AKP transformed the Turkish politics. Thus, Turkey was going to form a single-party government after a decade of coalition governments. In the Turkish history it was noticed that the majority governments came in 1950s, 1960s, and 1980s did very well in different aspects, especially in achieving high growth rates and prosperity. In contrast, the coalition governments in Turkey had a bad experience appeared in the decades of 1970s and 1990s. The single-party AKP government could take Turkey back to the ages of political stability and economic growth.[73] As well, the political stability occurred through the rule of the AKP contributed to its success to efficiently interact with the reforms presented by the IMF to overcome the problems resulted after the crisis of 2001 like the inflation problem. Additionally, the government was able to encompass a tremendous number of the population in the social security system and to introduce many progresses related to the developments in water, bridges, roads, and national infrastructure.[74]

Moreover, the AKP's winning in the second term elections in 2007 and its ability to nominate the current president Abdullah Gul reflected to a big extent the urgent need of the Turkish people to prolong the period of political stability under the rule of the AKP. Hence, the achievement of this hope is compatible with the government continuity in the process of modernization. Iseri and Dilek maintained that the AKP

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[71] Coronell, S. & Kaya, K., "Turkey's Elections: Democratic Islamists?," Central Asia-Caucasus Institute, (CACI), p.1, (2007), http://www.silkroadstudies.org/new/docs/publications/2007/0711SC-Turkey.PDF, (Accessed on June 20, 2013).

[72] Balkir, C., "The July 2007 Elections in Turkey: a Test for Democracy," *Mediterranean Politics,* 12(3), p.416, (2007).

[73] Cagaptay, S., "The November 2002 elections and Turkey's new political era," *Middle East*, 6(4), 43, p.42, (2002).

[74] Coronell, S.,& Kaya, K., "Turkey's Elections: Democratic Islamists?," Central Asia-Caucasus Institute, (CACI), p.3, (2007), http://www.silkroadstudies.org/new/docs/publications/2007/0711SC-Turkey.PDF, (Accessed on June 20, 2013).

government succeeded in achieving the Turkish hope of political stability after a decade of different coalition governments. They argued that this kind of political stability is conditioned with the AKP's credibility to continue in the trajectory of the centre politics and in being far from adopting an Islamic agenda in the sake of changing the secular character of the state. They suggested the AKP to get benefit from the trajectory of centre-right politics adopted by the previous Prime Minister Turgut Ozel. They thought that in spite of the liberal rhetoric of the leaders of the AKP, the three shining Islamic leaders Erdogan, Gul, and Arinc still dominate the party and the strong voice of the liberals inside the party still doubtful.[75]

3.1.2 Civil-Military Relations under AKP Government

The AKP and the military in Turkey have two different strategies. For the former, it seeks to reduce the political influence of the military in Turkey. The latter puts more prominence in maintaining of the secular character of the Turkish state by undermining any trial to Islamize the different aspects of the modern Turkey. General Hilmi Ozkok, the chief of the Turkish General Staff, TGS, tried to compromise with the new elected government led by the AKP. He stated that he was dubious about the historical military interventions in politics and urged the military from interfering in the daily politics. He stressed that any role of the military should be when the character of the secular state became in danger.[76]

The AKP started rapidly to limit the influence of the military to be closer to the European standards in the sake of fulfilling the EU accession criteria. One of the

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[75] Coronell, S.,& Kaya, K., "Turkey's Elections: Democratic Islamists?," Central Asia-Caucasus Institute, (CACI), p.3, (2007), http://www.silkroadstudies.org/new/docs/publications/2007/0711SC-Turkey.PDF, (Accessed on June 20, 2013).
[76]Rabasa, A., & Larrabee, F. S., "The Rise of Political Islam in Turkey," Rand Corporation, (Vol. 726), p.68, (2008),
http://www.rand.org/content/dam/rand/pubs/monographs/2008/RAND_MG726.pdf, (Accessed on May 15, 2013).

most significant reforms introduced by the AKP was the one related to the National Security Council, MGK, which became an advisory body instead of an executive one.[77] The real tension between the AKP and the military started with the appointment of Yasar Buyukanit who replaced Hilmi Ozkok. Buyukanit was the chief of the land forces and was known as a strong secularist. The different Islamic groups in Turkey attempted to distort the image of Buyukanit by accusing him that he is a grandson of a Jew and he is not a real Turk. Another accusation raised against Buyukanit was the Van case[78], and the General was acquitted by the Ministry of Justice declaring that this accusation had no basis for prosecution.[79] This severe campaign against the General Buyukanit was interpreted by the military and different of Turkish seculars that it was organized by the AKP and different Islamic groups to distort the image of Buyukanit inside the Turkish society. The CHP considered this campaign as a coup introduced by the AKP against the military.[80]

The contradictory reactions of the AKP made their situation ambiguous. Thus, Erdoğan tried to accelerate the approval of Buyukanit appointment and at the same time did nothing to prevent his supporters from participation in that campaign. However, Buyukanit intensified his criticisms to what he named the fundamental Islamists inside the Turkish society in his speech before the Military Academy in Istanbul in 2006.[81]

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[77] Ibid, p.69.

[78] Bombing incident happened in Semdinli in November 2005. In this case there was indicting for two of the noncommissioned officers. The prosecutor in this case charged - General Buyukanit that he used his authorities and influenced the Judiciary by praising one of these soldiers when commented that he is a 'good soldier'.

[79] Ibid, p.68.
[80] Ibid.
[81] Ibid.

Another strong criticism came from the chief of the land forces, Ilker Basbug, who stated that the threat of Islamists and their seeking to undermine the secular state reached to an alarming time. These two statements were seen as concrete indicators for the mutual tension between the AKP and the military.[82] The tensions reached the peak in 2007 after the AKP's nomination for Gul to the Turkish presidency. The speeches and statements by the different military commanders worried AKP parliamentarians that there would be a coming coup. But the massive victory of the AKP in 2007's elections made these statements less intensive and the military commanders became cautious about any possible intervention in the political life.[83]

One of the most influential cases that affected the civil-military relations in Turkey, was the launch of a comprehensive investigation against a neo-nationalist group named Ergenekon in 2008. This investigation was on the grounds that it was engaging in plans to stage a violent uprising against the AKP government. This case was soon to be followed by the Balyoz case that was initiated in December 2010 against around 200 officers in the Turkish military with the accusation of engaging in coup plots against the government. These two cases led to the arrest and trial of hundreds of active and retired military officers of all ranks. One of the most notable of these arrests was the arrest of the former Chief of Staff İlker Başbuğ. Thus, there was fuelling for the public on the role of the military in politics, which contributed to decrease the levels of societal trust toward the military and increased the impetus for further reform in this sensitive area. The first notable event to reform the nature of the military role came rapidly in June 2009 when the Parliament passed legislation to allow civilian courts to be able to try military officers in peacetime, including in the

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[82]Ibid.

[83] Ibid, p.72-73.

event of attempted coups, and lifted the grip of the remaining power for military courts to try civilians in peacetime. This notable reform was followed in January 2010 when there was abolition for the Protocol on Cooperation for Security and Public Order (EMASYA), which granted the military institution the right to carry out operations against what so called internal security threats without the consent of the civilian authority.[84]

In 2011, there were multi-resignations for many of the military officials from different military sectors. These resignations were reactions against the governmental arrest for many of the Generals who were accused for plotting a military coup. Furthermore, Prime Minister Erdoğan's appointment for the next senior military commander was seen as an indicator for the civilian supremacy over the military. Asli Aydintesbas, contended that "This is effectively the end of the military role in the Turkish democracy."[85]

3.1.3 The Kurdish Issue

The Kurdistan Workers' Party,(PKK), violence started in 1984 in the sake of garnering the international attention. Since 1980s, the violence caused more than 40.000 deaths. The terrorist attacks calmed in 1999 after the capture of the PKK's commander, Abdullah Ocalan.[86] Since 2002, the open and tolerant language that was practiced by the AKP towards the Kurdish problem was considered as a distinctive

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[84]AydIn-Dtizgit, S., & Keyman, E. F., "EU-Turkey Relations and the Stagnation of Turkish Democracy," *Global Turkey in Europe Political, Economic, and Foreign Policy Dimensions of Turkey's Evolving Relationship with the EU*, 103, p. 5-6, (2013).

[85]Çelik, A. P., & Naqvi, L, "Turkey: Current and Future Political, Economic, and Security Trends," Canadian Defense and Foreign Affairs Institute, p.3, (2012), http://www.cdfai.org/PDF/Turkey%20Current%20and%20Future%20Political,%20Economic%20and%20Security%20Trendsb.pdf, (Accessed on June 19, 2013).
[86]Ibid.

one for the party lies in the place of centre-right.[87] Accordingly, this opening has already transformed Turkey's relations with Iraq, the Kurdish region in northern Iraq in particular. It also has the potential of fundamentally altering Turkish state-society relations.[88] Thus, it differed from the centre-right previous parties in its adoption for policies against the historical dominance of the military and tolerant with the Kurdish issue.[89]

The clear evidence was the AKP's endorsement for Kurdish channels in radio and television.[90] The outcome of this tolerant language was noticed much more after the election of 2007. The AKP succeeded in doubling the Kurdish voters from 27.29 percent in 2002's elections to 54 percent in 2007. The observers not only attributed this percentage to the open and tolerant speech but also to one of the most influential groups within the Kurdish areas, Naksabandi. This Sufi group became against the Kurdish Democratic Society Party, DTP.[91] Thus, the Naksabandi criticized many times that party which had a bad influence on its popularity among the Kurdish street. As well, the DTP was under the criticism and refusal when it abstained to condemn the terrorist attacks committed by the Kurdish Workers' Party, (PKK). However, this issue put the AKP on panic because the party refused the ban of DTP and there was increase in number of the terrorist attacks at the same time.[92] Hence, the year of 2007 was one of the severest years when related to the escalation of the

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[87] Yegenoglu, M., & Cosar, S., "The Neoliberal Restructuring of Turkey's Social Security System," *Monthly Review,* 60(11), p.38-39, (2009).

[88] "What Does the Kurdish Opening in Turkey Entail? Comparative and Political Perspectives," *Middle East Institute,*http://www.mei.edu/transcripts/what-does-kurdish-opening-turkey-entail-comparative-and-political-perspectives, (Accessed on June 30, 2013).

[89] Yegenoglu, M., & Cosar, S., "The Neoliberal Restructuring of Turkey's Social Security System," *Monthly Review,* 60(11), p.38-39, (2009).

[90] Ibid.

[91]Rabasa, A., & Larrabee, F. S., "The Rise of Political Islam in Turkey," Rand Corporation, (Vol. 726), p.68, (2008),
http://www.rand.org/content/dam/rand/pubs/monographs/2008/RAND_MG726.pdf, (Accessed on May 15, 2013).

[92] Ibid.

terrorist attacks and there were daily funerals for the Turkish soldiers. This triggered the anger of different groups of the Turkish population against the AKP. Additionally, there were different demonstrations against the government shouting 'Murderer PKK, Collaborator AKP.'[93]

In March, 2013, there was a message by the founder of PKK, Ocalan, from his prison to the Kurdish rebels to stop fighting and to withdraw from the Turkish territories, which was very welcomed by the Turkish government. Murat Karayilan, a leader of PKK, read the message of Ocalan before the Kurdish people in a Kurdish festival declaring that the Turkish government is going to meet the Kurds' further rights in the new constitution and release their prisoners. Many analysts considered that this peace process is fragile because of the presence of the opposing voices within the PKK. Others argued that the success of the AKP to resolve this problem would contribute in increasing its popularity inside the Turkish street.[94] On May 18, 2013, the rebels began to withdraw from the Turkish boundaries to declare the end of conflict continued for more than thirty years.[95]

3.1.4 Democracy in Turkey since 2002

Turkey is one of the most democratic countries in the Middle East and North Africa, (MENA). Turkey has been affected several times by the ongoing interventions of the military and this country is trying to cleanse the previous eras of corruption as well as nepotism practiced for decades. The distinctive feature of Turkey is its success in

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[93]Balkir, C., "The July 2007 Elections in Turkey: A Test for Democracy," *Mediterranean Politics,* 12(3), p.417, (2007).

[94]"Kurdish Rebel Group to Withdraw from Turkey," *The New York Times,*http://www.nytimes.com/2013/04/26/world/europe/kurdish-rebel-group-to-withdraw-from-turkey.html, (accessed on 23 June, 2013).

[95] "PKK Begins Formal Withdrawal from Turkey," *Financial Times*, http://www.ft.com/intl/cms/s/0/372bae38-b7f2-11e2-bd62-00144feabdc0.html#axzz2XJu0qaUH, (accessed on 26 June, 2013).

connecting between the eastern and western values and its ability to be one of the most influential actors in the region. In addition, the recent political Islamic movement in Turkey tried to create a synthesis to combine the principles of Islam and democracy. Therefore, Turkey usually is seen by an admirable vision especially within the counties in the Middle East.[96]

Since reception for power in 2002, three most important agendas were introduced by the AKP: democratic consolidation; Turkish accession to EU; and economic liberalization. Accordingly, the AKP government was seeking to consolidate the principles of democracy in the Turkish society according to the Copenhagen criteria,[97] especially when focusing on the military relations.[98] Moreover, the doctrine of conservative democrats was used by the AKP leaders to claim that they have enhanced democratic values in Turkey. The late Vice-President of the AKP, Dengir Firat argued in Conservatism Congress held in 2004 that conservative democrats seek to combine traditional and western values. He stated that it is "a synthesis of conservatism and democracy that connects traditional Turkish values with elements of the European conservatism."[99]

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[96]Aktas, M., "Can Turkey be a Role Model for the Muslim Countries?,"2nd International Conference on Humanities, Historical and Social Sciences, p. 165, (2011), http://www.ipedr.com/vol17/30-CHHSS%202011-H10018.pdf, (Accessed on June 22, 2013).

[97]The Copenhagen criteria are certain rules that are supposed to define whether a country is eligible to join the European Union. The criteria have to guarantee that a state has the required institutions to preserve democratic governance and human rights. In addition it includes that any state has to prove that it has a functioning market economy, and accepts the obligations and intent of the EU.

[98]Balkir, C., "The July 2007 Elections in Turkey: a Test for Democracy," *Mediterranean Politics,* 12(3), p.420, (2007).

[99] Joppien, CH., "A Reinterpretation of Tradition? - The Turkish AKP and its Local Politics," Hamburg University, p.3, (2011), http://www.lse.ac.uk/europeanInstitute/research/ContemporaryTurkishStudies/Paper%20CJ2011.pdf, (Accessed on June 21, 2013).

To accelerate the process of state's democratizing, the AKP government adopted many reforms in order to consolidate the principle of democracy. Thus, these reforms began rapidly in 2003 by approving the first constitutional reforms' package, which to a big extent were related to the role of the military.[100] This reform was compatible with the European criteria by overcoming many of the restrictions imposed by the 1982's constitution on the civil society. In turn, the 1982's constitution was giving the supremacy for the military over the civil institutions, and these efforts were designed to mitigate the grip of the military in the sake of building a democratic state.[101]

Additionally, there were reforms that targeted the rights of minorities especially in third, sixth, and seventh constitutional reforms' packages. Opening of Kurdish radio and television channels in 2003 and multi-language programs channel in 2009 were related to these reforms.[102] In 2008, there was ameliorating for the legal status of the religious minorities in order to foster the process of EU accession.[103] Although there was critical improvement in this issue, the AKP leaders recognized that these procedures are not enough for enhancing the religious minorities' rights. They promised that after the elections of 2011, there would be a noticed amendment in the Turkish Constitution but the percentage of seats they got in these elections could not allow them to make the hoped amendment.[104]

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[100]Baran, Z., "Torn Country: Turkey between Secularism and Islamism," (Vol. 590), Hoover Inst Press, p. 54, (2010).

[101]Patton, M. J. "The Economic Policies of Turkey's AKP Government: Rabbits from a Hat?," *The Middle East Journal*, p.528, (2006).

[102] Joppien, CH., "A Reinterpretation of Tradition? - The Turkish AKP and its Local Politics," Hamburg University, p.3, (2011), http://www.lse.ac.uk/europeanInstitute/research/ContemporaryTurkishStudies/Paper%20CJ2011.pdf, (Accessed on June 21, 2013.

[103] Ibid, p.9.

[104] "Turkey Overview," *World Directory of Minorities and Indigenous Peoples*, http://www.minorityrights.org/?lid=4387, (Accessed on June 30, 2013).

3.1.4.1 AKP Democracy and Gezi Park Protests

Gezi Park protests started in May, 28, 2013 against the Turkish government. These protests happened in Taxim Square in Istanbul to refuse the governmental plan to demolish the Gezi Park and to replace it by Ottoman Military Museum and shopping mall. What was surprising in these protests, the violent rhetoric used by the Prime Minister, Recep Tayyip Erdoğan against the protesters describing them by harmful words like looters, (Capulcu).[105] In addition, there was an excessive use of force by the Turkish police against the activists thus they arrested a big number of them including political activists, lawyers, and doctors. Hence, The European Parliament urged "The Turkish authorities to bring those responsible for excessive and disproportionate use of force to justice, and to offer compensation to the victims."[106] Furthermore, the government practiced a strict observation for the local media and there was no adoption for the alternative of negotiations. Pierini, a visiting scholar at Carnegie Europe, considered that the previous procedures are against the European criteria for democracy which may affect the negotiations of the EU accession. He added that the protests revealed the nature of the 'vibrant Turkish youth' who are disconnected with the political arena. He argued that Turkey now is under two alternatives that either to keep in the way of 'polarizing narrative' or to govern a society with diverse sectors wisely and tolerantly. Pierini was surprised from the American situation for this issue which was seen as soft comparing with the European one, thus USA still considers Turkey as a model.[107] Recently,

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[105] "What Do The 'Gezi Park' Protests Mean For Turkish Democracy?," *International Business Times*, http://www.ibtimes.com/fighting-words/what-do-gezi-park-protests-mean-turkish-democracy-1314091, (accessed on June 23, 2013).

[106] "European Parliament Resolution on the Situation in Turkey," *European Parliament*,http://www.europarl.europa.eu/sides/getDoc.do?type=MOTION&reference=B7-2013-0305&language=EN, (Accessed on June 30, 2013).

[107] "The International Fallout From the Gezi Crisis," *Carnegie Endowment for Political Peace, Europe*, http://www.carnegieeurope.eu/strategiceurope/?fa=52171, (accessed on 24 June, 2013).

AmericanForeign Affairs Committee has expressed its concern and has changed its stand and is more critical on the AKP government's domestic policies.[108]

Achilov considered that these protests cannot be compared with what happened in the Arab Spring countries because Turkey is a democratic state and Erdogan came by free and transparent elections. He saw that those youth who lived under the boom of economic stability and did not live under the recessions of 1980s, 1990s, and early 2000s attempted to send a message for the government that "economic and political stability is necessary, but not sufficient for liberal democracy."[109] Tastekin stated in his article "Arab Dreams for Adopting Turkish model up in smoke at Gezi Park" that the image of Turkey was shaken on the eyes of Arabs especially among those in Egypt, Tunisia, and Libya who were looking for adopting Turkey as a model for their countries after the overthrown of their authoritarian regimes.[110]

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[108] "Subcommittee Hearing: Turkey at a Crossroads: What do the Gezi Park Protests Mean for Democracy in the Region?," *House Committee on Foreign Affairs,* http://foreignaffairs.house.gov/hearing/subcommittee-hearing-turkey-crossroads-what-do-gezi-park-protests-mean-democracy-region, (Accessed on June 30, 2013).

[109] "What Do The 'Gezi Park' Protests Mean For Turkish Democracy?," *International Business Times*, http://www.ibtimes.com/fighting-words/what-do-gezi-park-protests-mean-turkish-democracy-1314091, (accessed on 23 June, 2013).

[110] "Arab Dreams for Adoting Turkish Model up in Smoke at Gezi Park," *Al-Monitor,*http://www.al-monitor.com/pulse/politics/2013/06/turkish-model-arab-dreams-gezi-park.html, (accessed on 22 June, 2013).

3.2 Politicizing Islam in Turkey since 2002

3.2.1 Preface

The division occurred on the Islamic movement in 2001 was considered as a standpoint for the Islamic movement and political Islam in Turkey. Thus, the Virtue Party was banned in 2001, that party was led by the Islamic leader Necmettin Erbakan who was seen as the spiritual leader for the political Islam in Turkey. This ban was not the first, but actually it was the first which caused a real split in the thoughts and reactions of the founders and leaders of this stream, leading to an internal discourse and self-criticisms about the goals and the future of political Islam in Turkey. Many criticisms were raised by the voices of reformists against the conservatives or traditionalists who were represented and led by Erbakan claiming that Welfare Party failed to achieve the hopes of Turkish people. In addition, they claimed that their usage for the Islamic rhetoricwas the real reason behind their failure rather than the reason of military council intervention,which also led to the provocation of the ban.[111] These critics exceeded the party to reach to the historical leader Erbakan by refusing his authoritarian style in ruling the party and his closed and antiquated vision toward the Turkish society. The thoughtful split among the Islamists has translated in establishing two different parties. Erbakan and 48 deputies of Virtue Party, known by Erbakan's followers or traditionalists, established Felicity Party, Saadat Partisi, (SP), and led that time by Recai Kutan, the right hand of Erbakan. 53 deputies of the Virtue Party established Justice and Development Party, Adalet ve Kalkınma Partisi, (AKP), and Recep Tayyip Erdoğan, who achieved a

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[111]Karakas, C., "Turkey: Islam und Laicism between the Interests of State, Politics, and Society," Peace Research Institute Frankfurt, No, 78, p.28, (2007).

good reputation and popularity because he was a successful mayor of Istanbul during 1990s, became the chairman of the party.[112]

3.2.2 AKP and Secularism

The unique success of the AKP to conserve the nature of secular state, despite its Islamic roots, attributed to its trial not to pursue obvious Islamic principles in politics. Since 2002, the AKP tried to westernize the political Islam in Turkey with no Islamizing for politics and no mention for any Islamic agenda.[113] The leaders of this party, and especially Erdoğan, defined themselves as conservative democrats. Furthermore, in the second-term election in 2007 it was perceived that a big number of the AKP candidates were from liberal or centre-left sectors which marginalized the old rule of religious lines in the party.[114]

Their clear direction was not understood for a while that they were going to establish an Islamic state; nevertheless, they pursued many Muslim politics. They could convince the internal actors in Turkey that they stand in the middle between assertive secularism and Islamism revealing their pragmatic understanding for the Muslim politics.[115] This understanding made them promote many of their Islamic views in a democratic and liberal system. According to them, there is no need to name the country by Islamic state if the Islamic principles related to the equality, justice, and

[112]Ibid.

[113]Sambur, B., "The Great Transformation of Political Islam in Turkey: The Case of Justice and Development Party and Erdogan," *European Journal of Economic and Political Studies,* 2(2), p.121-122, (2009).

[114]Rabasa, A., & Larrabee, F. S., "The Rise of political Islam in Turkey," Rand Corporation, (Vol. 726), p.53-54, (2008).

[115] Kuru, T. A., "Muslim Politics Without an "Islamic" State: Can Turkey's Justice and Development Party Be a Model for Arab Islamists?," Brookings Doha Centre, p.4, (2013).

human rights or against corruption and nepotism can be achieved in another successful and effective way.[116]

This practice did not only convince the internal actors but also it did convince the Europeans and Americans that Turkey remained a reliable ally declaring that their ideas were pro-West, pro-European Union, pro-democracy, and pro-globalization.[117] Kuru thought that the successful and reliable experience between the West and AKP made the West more tolerant with the political Islamic movements inside the Arab Spring countries which achieved a noticed prominence in Egypt, Tunisia, and Libya. He argued that the flexible practice and understanding for the Islamic principles by the AKP should be as a model for these countries that lived for ages under corruption and nepotism.[118]

Özel attributed the success of the AKP in affecting the neighboring countries including the Middle Eastern ones that Turkey has a creative aspect of arts and entertainments and a distinctive life style. He himself stated that the ability of the AKP to continue in success since 2002 was due to the Islamic movement integration in the political process since 1960s and this movement did not resort to any type of violence through its political history; especially, after the military coups.[119]

Many of the Turkish Islamic intellectuals, like Ömer Çelik, criticized any trial by the state to homogenize the state into a straightjacket Islamic way. He emphasized that

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[116]Ibid.

[117]Sambur, B., "The Great Transformation of Political Islam in Turkey: The Case of Justice and Development Party and Erdogan," *European Journal of Economic and Political Studies,* 2(2), p.121, (2009).

[118] Kuru, T. A., "Muslim Politics Without an "Islamic" State: Can Turkey's Justice and Development Party Be a Model for Arab Islamists?," Brookings Doha Centre, p.4, (2013).

[119] Özel, S., "Democracy, Islam, and the AKP," p. 3, (2011), http://www.gmfus.org/galleries/ct_publication_attachments/Ozel_IslamCapitalism_Jul11.pdf, (Accessed on May 28, 2013).

this kind of homogenization was going to privilege certain groups of the people rather than the others and would create many marginalized groups in the same society which considered as very far from Islam.[120] Additionally, the AKP did not practice any Islamic speech because it was known that such practice was a political suicide. Erbakan and Welfare Party in 1990s was a good example for them.[121]

Many effective political players on the Turkish arena did not pave the way for the AKP declaring that the political practice and speech of the AKP contained many of the hidden Islamic agendas. The former President, Ahmet Necdet Sezer, who was the head of the Constitutional Court, used many vetoes against the AKP. Thus, 31 reforms' projects out of 42 were vetoed. Sezer and the Republic People Party, CHP, stood as an obstacle in front of the AKP fearing that such these reforms were going to increase the popularity of the AKP within the Turkish street.[122] However, the AKP did not label the word of Shari'a and it insisted on the conservatism of the secular state.[123]

3.2.3 Islam and Neo-liberalism in Turkey

AKP was able to combine the Turkish and Islamic nationalism with the neo-liberal version.[124] Thus, what was practiced by the AKP through its governing years is considered as reorientation from the past doubts toward the free market by depending on what so called 'capitalism's spirit' which to a big extent had been embraced by many Turkish scholars and Islamists. This new adoption for what so called

[120]Karakas, C., "Turkey: Islam und Laicism between the Interests of State, Politics, and Society," Peace Research Institute Frankfurt, No, 78, p.35, (2007).
[121] Ibid, p.35-36.
[122]Patton, M. J. "The Economic Policies of Turkey's AKP Government: Rabbits from a Hat?," *The Middle East Journal*, p.523, (2006).
[123]Atasoy, Y., "Islam's Marriage with Neoliberalism: State Transformation in Turkey," Book Reviews, *Middle Eastern Studies,*46(5), p.779, (2009).
[124] Yegenoglu, M., & Cosar, S., "The Neoliberal Restructuring of Turkey's Social Security System," *Monthly Review,* 60(11), p.35, (2009).

capitalist's spirit refutes the old thoughts by many western thinkers that there is no compatibility between capitalism and Islam. For example, the AKP succeeded in creating an effective synthesis between the capitalist and liberal social relations and the moral values by incorporating the principles of Islamic charity.[125]

The author of the book "Passive Revolution: Absorbing the Islamic Challenge to Capitalism," Cihan Tugli, argued that the AKP has a historical task for making the capitalist principles acceptable to a wide sectors of the Turkish community. He emphasized that the religion and religious networking benefited the economic excluded actors by bringing them again to the Turkish market and then to the global one.[126] Prime Minister Erdoğan tackled this conception when he stated that "the implementation of 'Copenhagen Criteria' will enable Turkey to secure economic growth by aligning its own authentic Muslim values with the European liberal principles of democracy, human rights, and individual freedoms elevated to a level of universality".[127]

This kind of incorporating appeared in MUSIAD, Muslim Industrialists' and Businessmen's Association, which had an interest to ease the taxes collected by the government from the exporters by practicing many pressures on the government. Thereby, the first beneficiaries of these facilities were its members because the largest numbers of them are exporters.[128] MUSIAD represents the businessmen and

[125]Karadag, R., "Neoliberal Restructuring in Turkey: From State to Oligarchic Capitalism," (No. 10/7). MPIfG Discussion Paper, p.23-24, (2010).

[126] Özel, S., "Democracy, Islam, and the AKP," p. 2, (2011), http://www.gmfus.org/galleries/ct_publication_attachments/Ozel_IslamCapitalism_Jul11.pdf, (Accessed on May 28, 2013).

[127]Atasoy, Y., "Islam's Marriage with Neoliberalism: State Transformation in Turkey," New York: Palgrave Macmillan, p.111, (2009).

[128]Patton, M. J. "The Economic Policies of Turkey's AKP Government: Rabbits from a Hat?," *The Middle East Journal*, p.525, (2006).

industrialists who considered themselves as they were marginalized in the previous ages demanding the government to reduce its intervention and to stick to the principles of neo-liberalism to get a real support from the Islamic communities. These demands showed that there was an urgent need to increase the accumulation of capital to be able to provide the religious communities rather than for benefiting the interests of the state transformation.[129]

Additionally, in MUSIAD, for example, there were many brilliant students who studied in good universities and went to Quranic schools when they were kids. Those persons who were religiously inspired are expected to work for achieving the ambition of national development rather than their self-interests.[130]

This kind of development rests on mobilizing the social and Islamic values to encourage that development of the country. Hence, this mobilization is going to enlarge the scope of civic engagement into an act for supporting the freedom, justice, and dignity within all sectors of the society. In this context, Atasoy, the author of "Islam's Marriage with Neo-Liberalism" argued that "this observation convinces me that a formulation of Islam as part of national culture enriches on 'interpretive understanding' that marries Islam with neo-liberal capitalism".[131]

Moreover, there was new direction toward the increase of Islamic banking system through the government of the AKP. Thus, large numbers of the Ulker's financial Islamic institutions, giant Turkish business group established in 1944, were transformed in order to manage two of the state's large banks. Furthermore, in 2006

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[129]Atasoy, Y., "Islam's Marriage with Neoliberalism: State Transformation in Turkey," Book Reviews, *Middle Eastern Studies,*46(5), p.781, (2009).
[130] Ibid.
[131]Ibid, 120-128.

Erdoğan tried to appoint a specialist in Islamic finance to be governor for the Central Bank, which was refused and rejected by the Turkish president that time. The concerns were raised by the secularists fearing of the process of Islamaization for the key points of the Central Bank claiming that these procedures had political goals.[132]

3.3.4 AKP and Trials to Islamize the State

The most important issue that was very controversial through the AKP government, the issue of headscarf. The AKP leaders considered that this issue is not more than a personal freedom and each girl has the right to wear the cloth she likes. The results of the local referendum about this issue appeared that three quarters of the Turkish people support the permission for girls to wear headscarves in schools and universities. However, the Turkish Constitutional Court repeated the upholding of the ban of headscarves in universities and schools in 2004.[133] The court considered that this case is a political symbol and is not acceptable inside a secular community like Turkey. Not only the Constitutional court did uphold the ban but also the Turkish Council of State which emphasized that any discussion about this issue through the parties' meetings would cause prosecution for them. This was considered as a 'hidden threat' for the AKP and its leaders.[134]

Additionally, the AKP decided to ban Alcohol from the ministries' cafeterias and the agencies of state. The restriction exceeded to reach the public places within the municipalities governed by the AKP. These procedures were justified by the leaders of the AKP that they are not related to the traditions and customs of the Islamic Shari'a, adding that many countries like United States use these protective

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[132]Rabasa, A., & Larrabee, F. S., "The Rise of Political Islam in Turkey," Rand Corporation, (Vol. 726), p.60, (2008).
[133]Karakas, C., "Turkey: Islam und Laicism between the Interests of State, Politics, and Society," Peace Research Institute Frankfurt, No, 78, p.33, (2007).
[134]Ibid.

procedures in the sake of saving the citizens' health and mitigating their expenses.[135]

Moreover, there were many trials by the AKP to separate the men and women in the

public areas like beaches and swimming pools or to specify certain days for women.

They claimed that these rules are used in many European countries.[136]

Another important issue, which was very controversial and understood as an attempt

by the AKP to Islamize the Turkish society, was the abortion case. Hence, abortion

has become legal in Turkey since 1983 and the figures of 2008 indicate that 10

percent of the Turkish women were terminated in abortion compared with 30 percent

in Europe. In 2012 there was 'provocative speech' by Erdogan about the case of

abortion stating that "there is no difference between killing a baby in its mother's

stomach and killing a baby after birth". This statement also was advocated by the

leaders and parliamentarians of the AKP emphasizing that this aspect should be

banned on the ground that it is a "crime against humanity." This rhetoric triggered

the anger of human rights and feminist organizations in Turkey replying by many

protests against this direction of the government and staging a sit-in outside the

Prime Minister office in Istanbul. The Lawyer and director of the Centre for Legal

Support for Women, Habibe Yilmaz, stated that "making a decision regarding one's

own body is a fundamental human right anddepriving women of this right would be

tantamount to restricting her right to health and the right to live a fulfilling life". The

Turkish Medical Association (TTB) also warned the government not to introduce any

resolution related to the restriction of abortion justifying that restricting abortion

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[135] Ibid, p.32.
[136] Ibid.

would only encourage illegal practices, push women to use "primitive methods" to abort and increase maternal mortality.[137]

These policies were strongly criticized by the Kemalists, the maintainers and conservatives of the Kemal Ataturk ideology, who represented in CHP. They stated that like these deeds were going to Islamize the Turkish state and the AKP had to conserve the secular nature of Turkey.[138] Furthermore, there was a continuous refusal by the former Turkish president, Necdet Sezer, to increase the number of Imams in the state. This refusal was because of the president's concerns that such appointments by the AKP were going to get the sympathy by these Imams toward the AKP and no longer contribute to the process of Islamizing Turkey.

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[137]"Turkey PM Erdogan sparks row over abortion," *BBC,* http://www.bbc.co.uk/news/world-europe-18297760, (Accessed on August 1, 2013).

[138] Ibid.

3.3 The Economic Development in Turkey since 2002

It was noticed that the ongoing decline of the leftist parties in Turkey since 1980s and 1990s would affect the alternative of state-centered policies and pave the way for the ones that are seeking to liberalize the economy of the state. The new emergence of the AKP did not happen in a vacuum. The AKP liberal policies were in line with the Copenhagen criteria in the sake of getting the membership in the EU.[139] The crisis happened in 2001 was considered as the most harmful crisis in the Turkish history; therefore, there was an urgent need to liberalize the state's markets and democratize its aspects in a process which became known as Europeanization.[140] Thereby, the tremendous side effects resulted after that crisis made the Turkish economic elites carry the same aims and policies introduced by the government led by the AKP.[141] Thus, there were three important agendas that appeared after the winning of the AKP: Turkish accession to the EU; democratic consolidation; and economic liberalization.[142]

The development and high growth of Turkish economy was seen as a distinctive surprise for the different economic actors in the internal and global arena.[143] Turkey's economic performance and the high rates of economic growth made it one of the largest twenty economies all over the world and enabled it to be among the G-20 in 2008. IMF and OECD reported that the growth rate of Turkey reached to 11 percent

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[139]Tepe, S., "Politics between Market and Islam: the Electoral Puzzles and Changing Prospects of pro-Islamic Parties," *Mediterranean Quarterly*, *18*(2), p.114, (2007).

[140]Öniş, Z., "Crises and Transformations in Turkish Political Economy," *Turkish Policy Quarterly*, *9*, p.53, (2010).

[141]Grigoriadis, I. N., & Kamaras, A., "Foreign Direct Investment in Turkey: Historical Constraints and the AKP Success Story," *Middle Eastern Studies*,*44*(1), p.59 (2008).

[142]Balkir, C., "The July 2007 elections in Turkey: a test for democracy," *Mediterranean Politics*, *12*(3), p.420, (2007).

[143]Babakr, M., "Turkey's Economic Development: Luck or Wise Administration?," p.2, (2013), http://strategicoutlook.org/publications/Turkey's_economic_development.pdf, (Accessed on May 25, 2013).

in 2010 and 2011 respectively.[144] Indeed, Turkey became one of the fastest growth rates in the world and one of the 'Next 11' countries, N-11.[145] These countries are characterized by their owning for growth markets, strong manufactories and service industries, and ongoing increase in the numbers of population.[146] Additionally, different internal factors helped the Turkish government to overcome the crisis, thereby start a new stage of development and high rates of growth. These internal factors were: secure and stable political system; government with transparent institutions; wise administration for the financial sector; and distinctive geographic location.[147] Thus, the process of acceleration the development of the Turkish economy reached the peak between 2002 and 2007 with growth rate reached to 6.8 percent annually. This ongoing rate of growth was due to the macroeconomic stabilization practiced between 2002 and 2007.[148] The single-party government had a great impact on the growth of the economy. Hence, achieving high rates of growth was coincided with the majority governments in the recent Turkish history.[149] To sum up, the recovery of the Turkish economy after the 2001 crisis was attributed to many of the successful economic policies represented in structural reforms, liberal environment for business and trade, and privatization.[150]

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[144] Bagci, H., "The Role of Turkey as a New Player in the G20 System," p.1, (2011), http://www.kas.de/upload/dokumente/2011/10/G20_E-Book/chapter_15.pdf, (Accessed on June 30, 2013).
[145] Ibid.
[146] Ibid.
[147] Babakr, M., "Turkey's Economic Development: Luck or Wise Administration?," p.6, (2013), http://strategicoutlook.org/publications/Turkey's_economic_development.pdf, (Accessed on May 25, 2013).
[148] Macovei, M., "Growth and Economic Crises in Turkey: Leaving behind a Turbulent Past?," (No. 386). Directorate General Economic and Monetary Affairs, European Commission, p.10, (2009).
[149] Öniş, Z., "Crises and Transformations in Turkish Political Economy," *Turkish Policy Quarterly*, *9*, p.53, (2010).
[150] Macovei, M., "Growth and Economic Crises in Turkey: Leaving behind a Turbulent Past?," (No. 386). Directorate General Economic and Monetary Affairs, European Commission, p.9, (2009).

3.3.1 The IMF Conditions and the Structural Reforms

The AKP came to the power in Turkey with non-precedential amount of internal and external debt. The foreign debt reached 131.6 billion dollar, whereas the total internal and external was 206 billion dollar.[151] Therefore, it was an urgent need by the freshly emerged new government to implement the plans proposed by the IMF. Many economic experts and agencies suggested that the ruling AKP would not repeat the Argentina model of debt default.[152] The AKP and the IMF and after 4 months of butting heads, reached to a modest solutions by understanding the way of pragmatic adjustment for the urgent issues, after reallocating many of the existed sources.[153]

The four issues were the most important that were put in their agenda were: wages and pensions' increases for civil servants; revision for the law of public procurement; tax amnesty proposal; and price support for the farmers. The AKP government pragmatically succeeded in solving these problems. For example, when related to the first case of pensions and wages' increases, the government decreased the high expenses of ministries by decreasing the number of them and their daily protocol expenses. In addition, the government indirectly raised the taxes on luxury goods like alcoholic and cigarettes in the sake of ending the financial deficit related to this issue. In turn, the government succeeded in saving its face vis-à-vis the public by their resistance for the IMF conditions and vis-à-vis the IMF by declaring that we did what you want.[154] Hence, The AKP wanted to appear in a moderate scene. Thereby, the AKP tried to carry out the needs of its voters and was careful not to lose

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[151]Patton, M. J. "The Economic Policies of Turkey's AKP Government: Rabbits from a Hat?," *The Middle East Journal*, p.516, (2006).
[85] Ibid, p.517.
[153] Ibid, p.516.
[154] Ibid, p.517-518.

popularity while fully implementing the IMF conditions[155] Moreover, the Turkish trial to be a member in EU was connected with its stick to the IMF reform plans and its adoption for the neoliberal policies because the geographic location of Turkey made it dependent on the European economy. Thus, this adoption would make Turkey immediately much more connected with the European economy and its markets.[156]

As a result, these reforms, to a big extent, were equivalent with the Copenhagen criteria in the sake of paving the way for Turkey to be a member in the EU. Consequently, these reforms gave the priority to the process of liberalizing the state markets, citizens, and local authorities at the expense of state-centered economy.[157] Indeed, the introduction of the customs union treaty between EU and Turkey helped significantly in the process of commitment to these reforms. The benefit of this treaty can be seen in its ability to set aside all the trading constrains and barriers between the EU countries and Turkey, particularly in EU's external tariffs with non-European countries. Thereby, the joint cooperation between the two partners has developed since ratifying the customs union treaty making Turkey more attractive for the foreign investors and more integrated into the international division of labor.[158]

 Another important aspect for the AKP's compliance to the IMF was due to its inexperienced parliamentarians. The AKP had been established just before months of receiving the power, which meant that the AKP was not well prepared to deal with

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[155] Ibid, p.516.
[156]Patton, M. J. "The Economic Policies of Turkey's AKP Government: Rabbits from a hat?," *The Middle East Journal*, p.528, (2006).
[157]Tepe, S., "Politics between Market and Islam: the Electoral Puzzles and Changing Prospects of pro-Islamic Parties," *Mediterranean Quarterly*, *18*(2), p.117, (2007).
[158]Macovei, M., "Growth and economic Crises in Turkey: Leaving behind a Turbulent Past?," (No. 386). Directorate General Economic and Monetary Affairs, European Commission, p.17, (2009).

these complex files of IMF single-handedly.[159] Furthermore, the successful application of the IMF plans represented in the structural reforms in banking sector and strict fiscal consolidation practiced by the governmental team, which had revised and fostered these reforms and the role of the majority of the ruling party in the parliament should not be ignored.[160]

The sectors that had been included in the reform process were the tax policy,product market regulations, capital markets, financial sector, fiscal and monetary policy, and labor market regulations.[161] Many governmental legislations and procedures were introduced to accelerate the application of these reforms. These adopted procedures were: the legislation adopted in 2006 to protect the agricultural sector; adoption of employment package in 2008; establishment for the Coordination Council for the Improvement of Investment Environment; and boosting educational as well as the vocational training for the low-skilled labor.[162] The Islamic origins of the AKP faced many challenges especially when related to the adoption of these reforms. These challenges were represented by the different vetoes put into practice by the former Turkish president, Sezer, and the secular parties led by the CHP in order to prevent the newly emerged party from gaining more popularity in Turkey.[163]

3.3.2 Privatization

The principle of privatization was practiced in Turkey since 1980s, when it was adopted by the former Prime Minister Turgot Ozel. He was the one who first introduced and implemented neoliberal policies in Turkey. Moreover, there was a

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[159]Patton, M. J. "The Economic Policies of Turkey's AKP Government: Rabbits from a hat?," *The Middle East Journal*, p.529, (2006).

[160]Macovei, M., "Growth and Economic Crises in Turkey: Leaving behind a Turbulent Past?," (No. 386). Directorate General Economic and Monetary Affairs, European Commission, p.16, (2009).

[161] Ibid, p.18.

[162]Ibid, p.19.

[163]Patton, M. J. "The Economic Policies of Turkey's AKP Government: Rabbits from a hat?," *The Middle East Journal*, p.533, (2006).

significant change in 1994 by emerging the privatization law, which considered as a turning point to pave the way for the large direction toward the policy of privatization after 2002.[164] Thus, Turkey witnessed a stage of real privatization boom after the crisis of 2001. This boom reached the peak in 2004 because of intensifying the negotiations for the EU membership.[165]
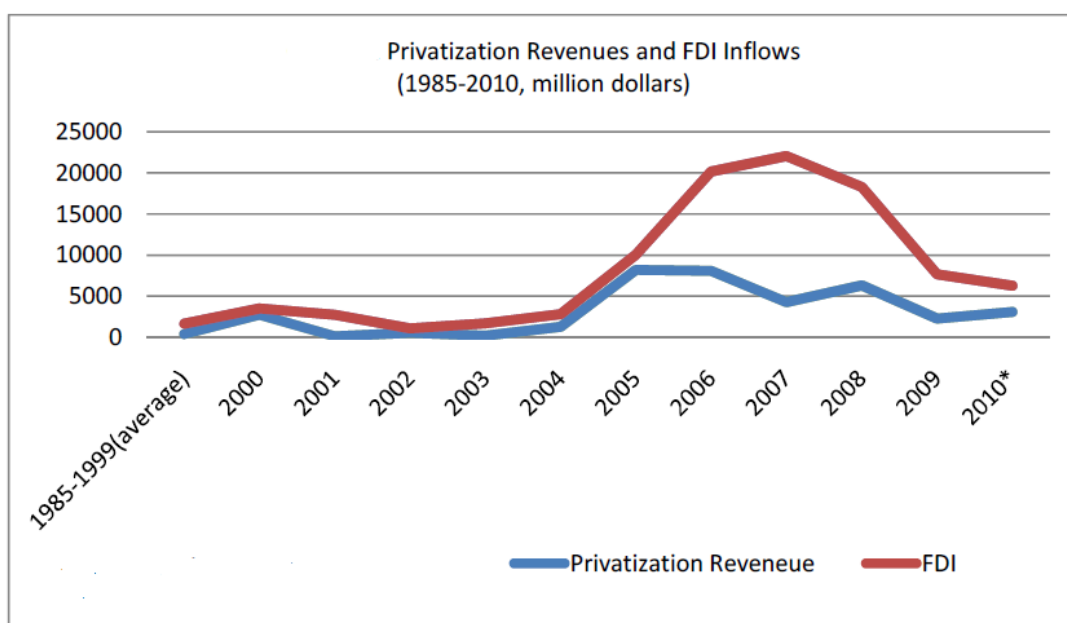
Figure (1): Privatization Revenues and FDI Inflows (1985-2010), million dollars.[166]

The tremendous side effects of the crisis of 2001 which harmed the different economic sectors in Turkey weakened the voices that usually invite against the alternative of privatization and toward the state-centered enterprises. These actors, who became known as anti-privatization stream were represented in national parties

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[164]Önis, Z., "Power, Interests and Coalitions: the Political Economy of Mass Privatisation in Turkey," *Third World Quarterly*, *32*(4), p.715,(2011).
[165]Ibid, p.712.
[166]Turkish Treasury , by: Önis, Z., "Power, Interests and Coalitions: the political economy of mass privatization in Turkey," *Third World Quarterly*, *32*(4), p.713, (2011).

and labor unions, were marginalized progressively because of that crisis.[167] As mentioned before, the methods coincided with the implementation of privatization were introduced according to the two anchors of EU and IMF conditions in order to increase the weak financial assets of the state. That did not mean that the interests of this process were only compatible with the foreign investors like Oger Group, but also with the local ones like Koç and OYAK[168]. Thus, such kind of local participation mitigated the intensive criticisms raised against the AKP government. These critics maintained that Turkey had been sold to the foreign actors.[169] In addition, the local participants in this process were rewarded indirectly by the state agencies. This rewarding can be seen in the state successful direction to raise the valuation in the Istanbul Stock Exchange for their companies and to increase demands for their assets by the foreign investors.[170] One of the most important cases which clarified the Turkish private sector endeavor to incorporate itself in this process in the sake of protecting the states' enterprises and proving the aspect of cooperation between the different national actors, was the Erdimer deal which was sold to OYAK. OYAK is considered as an arm of the military in Turkey. This deal was flexibly and successfully exploited by the AKP leaders to justify the sales of the large enterprises.[171]

The anti-privatization actors have been shown that this enterprise was bought by one of the national companies with no doubt in its national orientation. One of the most important opposing actors to this deal was the Union of Erdimer Workers who ended

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[167] Ibid, p.721.
[168] OYAK is a business group owned by the Turkish Military where as Koc is belonged to civil owners.
[169] Grigoriadis, I. N., & Kamaras, A., "Foreign Direct Investment in Turkey: Historical Constraints and the AKP Success Story," *Middle Eastern Studies*, 44(1), p.61, (2008).
[170] Ibid.
[171] Önis, Z., "Power, Interests and Coalitions: the Political Economy of Mass Privatisation in Turkey," *Third World Quarterly*, 32(4), p.722-723, (2011).

their protest after being informed that this enterprise was sold for OYAK, a private company with national interests which would be more understandable for their demands than the foreign one.[172] Additionally, the AKP government tried to justify its direction towards the adoption of this process by claiming that it is not related to any ideological background. However, the AKP leaders emphasized that this process is an integral part of the Turkish endeavor to be closer to the global market. Thus, this policy would reinforce the chance of Turkey in such integration. Moreover, they argued that such process is not a new one but it is attributed to decades before, hence Turkey is late in adopting it. Turkey could not continue in these policies because of the ongoing economic and political instabilities in the past.[173] The presence of the coalition government before the crisis of 2001 enabled the AKP government's chance to implement the IMF policies and in turn empowered the pro-privatization policy makers.[174]

Hence, Öniş argued that there were three key points that should be indicated when talking about the Turkish privatization after 2001 crisis: the significant role for the private sector which was used by the Turkish government to convince the Turkish street by this policy; the legal and institutional changes that weakened the opposing voices and empowered the proponents; and the factor of the international transmission which made the ideas of pro-privatization more fashionable.[175]

In spite of the importance of the process of privatization that was adopted by the AKP so as to mitigate the financial deficit, the Turkish people's support for it was limited. The Turkish people feared the exposure of the private sector, and they

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[172]Ibid.
[173]Ibid, p. 719.
[174] Ibid.
[175] Ibid, p.724

thought that it would affect their rights as national citizens especially when related to the important projects like Turk Telecom.[176] And, what was really non-expected, the government dependence on the block sale privatization[177] instead of the capital market one. This clarified the real need by the state to maximize the revenue as much as it can searching for rapid results to overcome the urgent problem of financial deficit.[178]
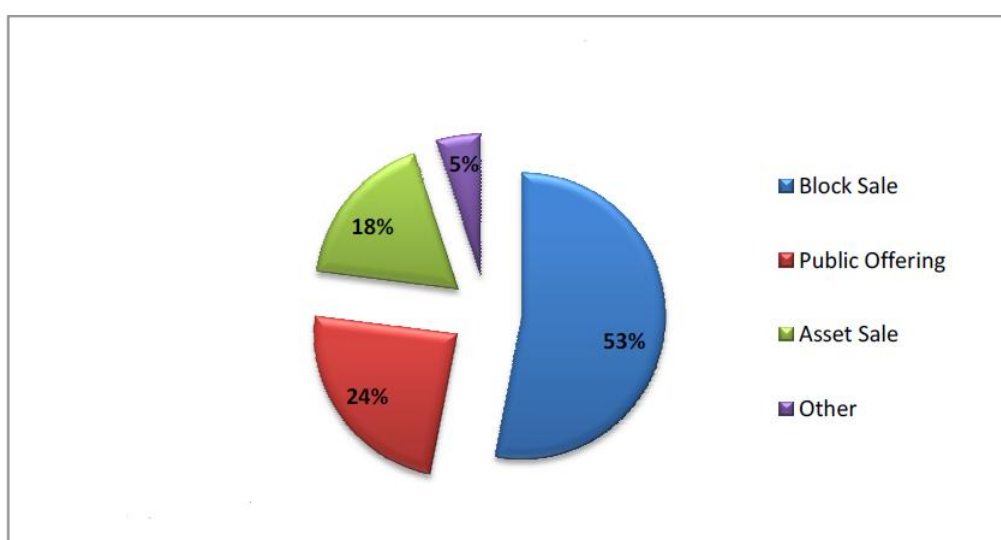
Figure (2): Mode of privatization in Turkey.[179]

3.3.3 Foreign Direct Investment

The presence of the foreign direct investment, (FDI), within the Turkish territories was marginal until the last ten years. Therefore, the AKP's adoption of liberal

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[176]Tepe, S., "Politics between Market and Islam: the Electoral Puzzles and Changing Prospects of pro-Islamic Parties," *Mediterranean Quarterly*, *18*(2), p.128, (2007).

[177] Block sale privatization is referred to the enterprises that were sold or purchased in a large quantity.

[178]Önis, Z., "Power, Interests and Coalitions: the Political Economy of Mass Privatization in Turkey," *Third World Quarterly*, *32*(4), p.713,(2011).

[179]Turkish Treasury , by: Önis, Z., "Power, Interests and Coalitions: the political economy of mass privatization in Turkey," *Third World Quarterly*, *32*(4), p.714, (2011).

policies made the FDI much larger than the latest twenty years.[180] Indeed, one of the most prior policies acknowledged by the leader of the AKP, Recep Tayyip Erdoğan, was acceleration of foreign direct investment within the Turkish territories.[181] Additionally, in the first months of governing, the AKP tried to protect the legal presence of the FDI companies by issuing the Foreign Investment Law in 2003 and after 2005 there was a dramatic increase in the FDI inflows.[182]
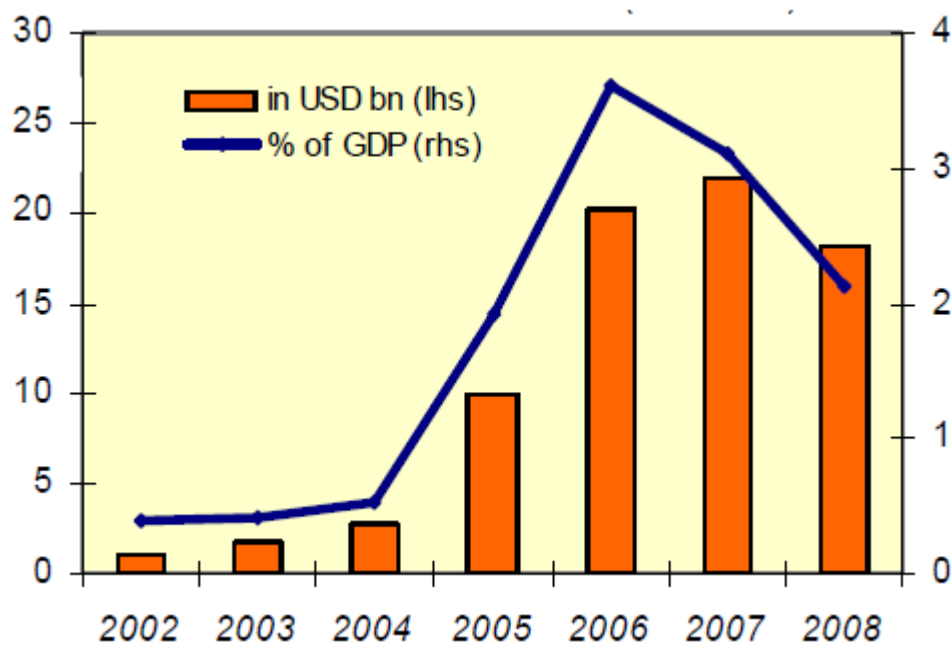
Figure (3): Net FDI inflows, (2002-2008).[183]

This law was one of many which were coincided with the other laws to enhance the overall macroeconomic environment. Thereby, this law tried to remove all obstacles on the face of foreign investors and to create a protective atmosphere for their

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[180]Grigoriadis, I. N., & Kamaras, A., "Foreign Direct Investment in Turkey: Historical Constraints and the AKP Success Story," *Middle Eastern Studies*,*44*(1), p.53, (2008).
[181] Ibid, p.59.
[182]Öniş, Z., "Crises and Transformations in Turkish Political Economy," *Turkish Policy Quarterly*, *9*, p.53, (2010).
[183]National authorities, Undersecretaries of the Treasury, by: Macovei, M., "Growth and economic crises in Turkey: leaving behind a turbulent past?," (No. 386). Directorate General Economic and Monetary Affairs, European Commission, p.15, (2009).

companies and enterprises.[184] As mentioned above, what made the FDI policies more acceptable than before was the severe crisis of 2001, which caused a historical bankruptcy for many of the Turkish financial institutions.[185]

With no difference from the process of privatization, the Turkish efforts to attract the FDI were titled by the reforms introduced by the IMF coincided with the EU accession negotiations. Thus, they were designed to guarantee a secure and stable environment to encourage the flow of foreign capital and save this environment from the unexpected fluctuations.[186] The World Trade Organization, (WTO), tried to underline the importance of the EU partner and its role in contributing to the improvement of the Turkish economy when issuing that between the years of 2005 and 2010, 70 percent of the foreign inflows entered the Turkish markets belonged to the European investors.[187] In addition, there was a real endeavor by the Turkish government to attract the Gulf oil rich states and investors to inflow their capital inside the Turkish markets.[188] This course was designed to prove for the Turkish population that AKP is trying to incorporate a new economic and rich player to foster the economic development and to convince the Islamic voters that there were concrete steps to be more openwith the Islamic world. Although the economic and investment conditions by the Arab investors were not different from the European ones, Erdoğan succeeded by using the friendly and historical Islamic rhetoric to ease these conditions making them more helpful for the Turkish economy. Thus, that

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[184]Öniş, Z., "Crises and Transformations in Turkish Political Economy," *Turkish Policy Quarterly*, *9*, p.53, (2010).

[185]Grigoriadis, I. N., & Kamaras, A., "Foreign Direct Investment in Turkey: Historical Constraints and the AKP Success story," *Middle Eastern Studies*,*44*(1), p.53, (2008).

[186] Ibid, p. 60.

[187] Babakr, M., "Turkey's Economic Development: Luck or Wise Administration?," p.2, (2013), http://strategicoutlook.org/publications/Turkey's_economic_development.pdf, (Accessed on May 25, 2013).

[188]Grigoriadis, I. N., & Kamaras, A., "Foreign Direct Investment in Turkey: Historical Constraints and the AKP Success story," *Middle Eastern Studies*,*44*(1), p.62, (2008).

occurred through many of high level ministerial and prime ministers' visits to empower the joint cooperation with the countries in the Middle East and other effective Muslim countries like Malaysia.[189] Hence, the aspect of increasing rates of FDI in Turkey did not only benefit the Turkish economy but also benefited the Turkish government led by the AKP. By this aspect, the government proved for the internal and external actors that there was a real need for modernizing the Turkish state and it was far from the previous accusations that the AKP was going to Islamize the country. Indeed, this aspect was a dynamic behind advancing the talks related to the EU membership.[190]

Rahim and Salman argued that it should not be ignored that there was an indirect factor behind the acceleration of foreign flows to the Turkish markets. This dynamic related to the slowdown occurred in many of the European economies and the unstable situation in many of Middle Eastern countries which paved the way for Turkey to be a good recipient for these flows.[191]

There were different dynamics behind the boom of the Turkey's economy which has been represented by the rise of socially conservative, export-oriented entrepreneurs known as the 'Anatolian Tigers', free-market economic policies, return migration from Germany ,nurtured by business networking through Islamic social networks, and institution-building by the previous secular-inclined establishment. It is not to be forgotten that the Turkish economy included many successful strategies for the movement of labor from low to higher-productivity sectors and poverty reduction.

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[189]Ibid.
[190]Ibid, p.59.
[191]Babakr, M., "Turkey's Economic Development: Luck or Wise Administration?," p.4, (2013), http://strategicoutlook.org/publications/Turkey's_economic_development.pdf, (Accessed on May 25, 2013).

There was many points of view that the "sources of 'easy' economic growth from macroeconomic stability and fiscal discipline have been largely exhausted". Hakura argued that the attraction of the Turkey's economic model cannot sustain consistently high growth rates expecting that this model is being undermined because of different factors began to reveal in: low investment and savings rates; limited export sophistication; pervasive gender inequality; and inefficient use of its 'demographic dividend'. He proposed that the Turkish government and in order to conserve the required high rates of growth potential has to implement productivity-enhancing reforms before the problems of an ageing population start to be noticeable around 2025. He emphasized that "to avoid reform 'fatigue', it should focus on tackling the main bottlenecks to economic growth: the quality of human capital, and incomplete reform of governance and institutions".[192]

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[192]Hakura, F., "After the Boom; Risks to the Turkish Economy," Chatham House, (2013), http://www.chathamhouse.org/sites/default/files/public/Research/Europe/0813bp_turkey.pdf, (Accessed on August 13, 2013).

3.4 Poverty Reduction Policies in Turkey since 2002

Since 1980s, Turkey has tried to present many improvements in economic developments and social progress.[193] Nevertheless, the inequalities and disparities among different regions stilled very high and the ratios of poverty and unemployment were rising especially after the crisis of 2001.[194] These high ratios of poverty and unemployment after this crisis attributed to many factors like: the neoliberal policies during 1980s; financial crises influences especially those in 1991, 1994, 1998-1999, and 2001; globalization and the new types of social stratification, the direction of migration toward urban regions; and the transformation from agricultural sector toward industrial and service one. These social, economic, and demographic dynamics made the aspect of poverty in Turkey more visible especially in cities.[195]

The natural aspect of poverty in Turkey does not relate to the absolute or extreme poverty which constitutes 1.35 percent of the population according to the Turkish Statistical Institute, Turksat.[196] Turksat texted also that 30.3 of the Turkish people was living below 4.30 $ per day in 2002 and this study stated that 26.9 percent of population were economically vulnerable. This study also revealed the huge disparity between the rural and urban areas thus it reached 9.3 percent in urban areas and 30.9 in the rural regions.[197] The Prime Minister Erdoğan and his party identified themselves as moderate Islamists and oriented to a big extend as harmonious

[193] Gurses, D., "Microfinance and Poverty Reduction in Turkey," *Perspectives on Global Development and Technology*, *8*(1), p.90, (2009).

[194] Buğra, A., & Adar, S., "Social Policy Change in Countries without Mature Welfare States: The Case of Turkey," *New Perspectives on Turkey*, *38*, p.100, (2008).

[195] Gurses, D., "Microfinance and Poverty Reduction in Turkey," *Perspectives on Global Development and Technology*, *8*(1), p.90-91, (2009).

[196] Buğra, A., & Keyder, Ç., "The Turkish Welfare Regime in Transformation," *Journal of European social policy*, *16*(3), p.216, (2006).

[197] Gurses, D., "Microfinance and Poverty Reduction in Turkey," *Perspectives on Global Development and Technology*, *8*(1), p.91-92, (2009).

between neo-liberalism and social conservatism. Erdoğan presented many promises to his constituency that he is going to tacklethe aspect of poverty within the Turkish communities but after his winning he became cornered by IMF conditions and the principles of neo-liberalism. However, these promisesdid not mean that AKP presented an explicit explanation or strategy to alleviate the problem of poverty.[198]

Table (1): The numbers of poor in Turkey between 2002 and 2006.[199]

Methodologies	Number of poor (thousand)				
	2002	2003	2004	2005	2006
TURKEY					
Absolute poverty	926	894	909	623	539
Food and non-food poverty	18 441	19 458	17 991	14 681	12 930
Poverty Int. stdts.(<1$/a day)	136	9	11	10	0
Poverty Int. stds.(<2.15$/ a day)	2 082	1 655	1 752	1 109	1 022
Poverty Int. Strds.(<4.3$/ a day)	20 721	16 433	14 681	11 712	9 680
Relative income poverty	10 080	10 730	9 967	11 574	10 530

[198]Patton, M. J. "The Economic Policies of Turkey's AKP Government: Rabbits from a hat?," *The Middle East Journal*, p.514, (2006).
[199]Turkish Statistical Institute-Poverty Study, by: Gurses, D., "Microfinance and poverty reduction in Turkey," *Perspectives on Global Development and Technology*, *8*(1), p.92, (2009).

Table (2): Urban povery between 2002 and 2006.[200]

	URBAN				
Absolute poverty	376	311	269	284	18
Food and non-food poverty	9 011	9 377	7 146	5 687	4 225
Poverty Int. Stds .(<1$/ a day)	10	5	5	0	0
Poverty Int. Stds .(<2.15$/ a day)	971	648	529	430	107
Poverty Int. Stds .(<4.3/ a day)	10 106	7 696	5 827	4 454	2 780
Relative income poverty	4 651	4 734	3 596	4 381	3 164

Table (3): Rural povery between 2002 and 2006.[201]

Methodologies	Number of poor (thousand)				
	2002	2003	2004	2005	2006
	RURAL				
Absolute poverty	550	584	640	339	521
Food and non-food poverty	9 429	10 081	10 846	8 994	8 706
Poverty Int. stds.(<1$/ a day)	126	4	5	10	0
Poverty Int. stds.(<2.15$/ a day)	1 111	1 007	1 223	679	915
Poverty Int. stds.(<4.3$/ a day)	10 615	8 737	8 854	7 259	6 900
Relative income poverty	5 430	5 996	6 371	7 193	7 366

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[200]Ibid.
[201]Ibid.
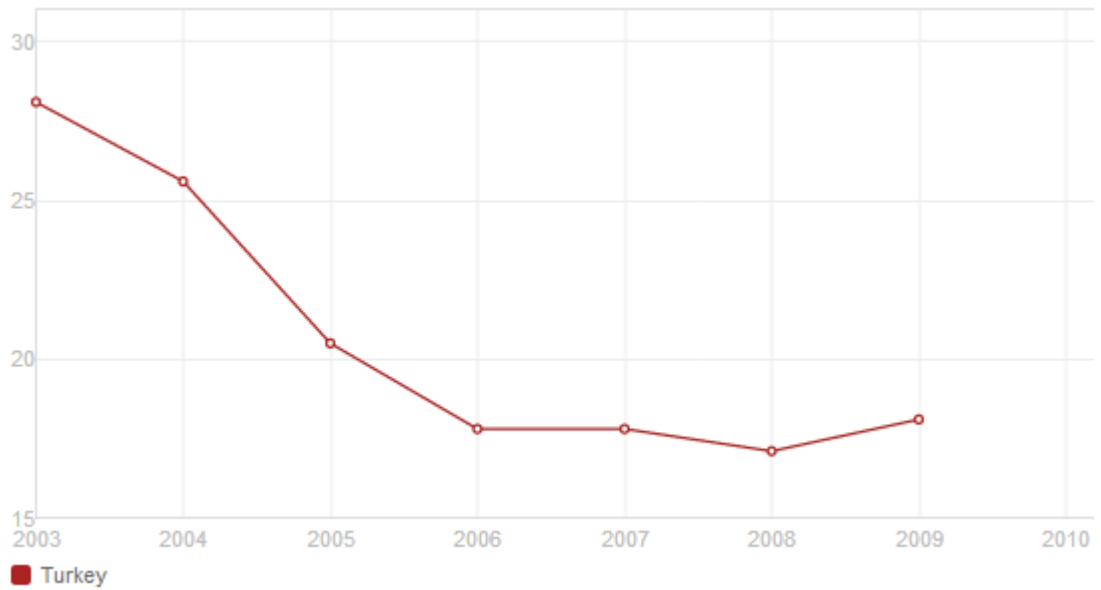
Figure (4): Poverty headcount ratio at national poverty line (% of population).[202]
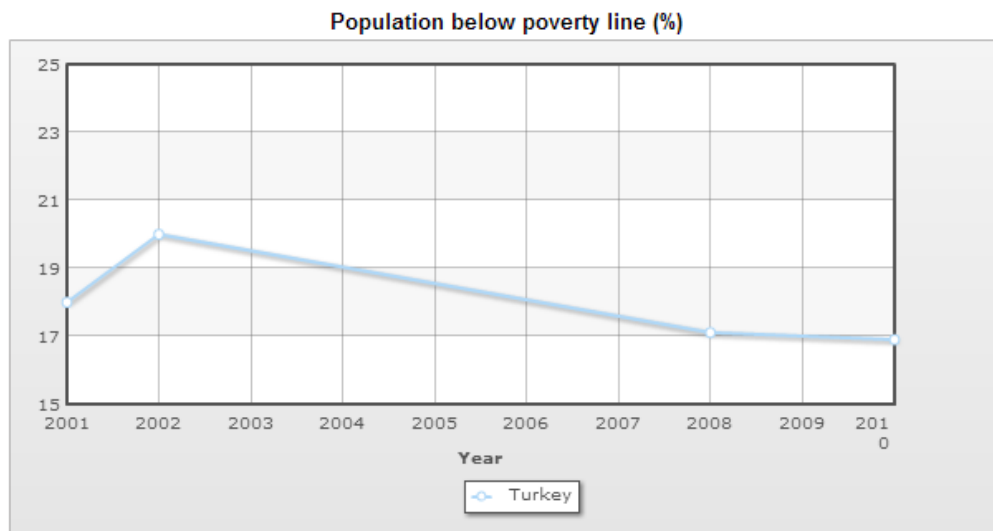
Figure (5): Population below poverty line (%) in Turkey.[203]

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[202]Poverty headcount ratio at national poverty line (% of population), *World Bank*, http://data.worldbank.org/indicator/SI.POV.NAHC/countries/TR?display=graph, (Accessed on July 8, 2012).

[203]"Population below poverty line in Turkey", *Index Mondi*, http://www.indexmundi.com/g/g.aspx?c=tu&v=69, (Accesses on July 8, 2013).

In Addition, the AKP tried to introduce new actors to stand with the government in its seeking to reduce poverty like the role of the families, municipalities, charity foundations, and NGOs.[204]AKP also put into consideration the importance of the European-Turkish relations because of its trial to let Turkey enter EU.[205] Thus, the EU membership helped in increasing the government's determination to overcome the problem of poverty. For example, AKP government signed a treaty with Employment and Social Affairs in European Commission to prepare Joint Inclusion Memorandum to collect the data by the Ministry of Labor and Social Security which considered as concrete progress in the responsibilities of the state toward the social assistance.[206]

The efforts to reduce poverty within the Turkish community under the AKP's rule sorted in: social system reforms;[207] microcredit programs;[208] and charity foundations.[209]

3.4.1 Social System Reforms

The first days of governing, the Turkish government noticed that the system related to the social security was very fragmented and caused many negative side effects, particularly in the deficit it created. Therefore, AKP presented a new social system in 2004 contained many reforms.[210] AKP efforts to introduce reforms targeted the social security appeared in three important aspects: pensions, health insurance, and

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[204]Buğra, A., & Keyder, Ç., "The Turkish Welfare Regime in Transformation," *Journal of European social policy*, *16*(3), p.224, (2006).

[205]Buğra, A., & Adar, S., "Social Policy Change in Countries without Mature Welfare States: The case of Turkey," *New Perspectives on Turkey*, *38*, p.100, (2008).

[206]Buğra, A., & Keyder, Ç., "The Turkish welfare Regime in Transformation," *Journal of European social policy*, *16*(3), p.224, (2006).

[207]Ibid.

[208]Gurses, D., "Microfinance and Poverty Reduction in Turkey," *Perspectives on Global Development and Technology*, *8*(1), (2009).

[209]Eder, M., "Retreating state? Political Economy of welfare Regime Change in Turkey," *Middle East Law and Governance*, *2*(2), (2010).

[210]Gurses, D., "Microfinance and Poverty Reduction in Turkey," *Perspectives on Global Development and Technology*, *8*(1), p.104, (2009).

social assistance.[211] Firstly and to meet its previous promise to enhance the daily lives of Turkish people, especially the civil servants, the government increased pensions and salaries for those who were the most harmed by the economic crisis.[212] However, the new law related to the case of pensions and retirement was intensively criticized because it caused many debates due to its increasing for the minimum number of the contribution days before the retirements to be 7400 days, 65 years.[213]But as for the reforms targeted the health sector, there was reform for the service of Green Cards which was issued in 1992, which was a scheme that relied on means-testing, for the poor, who were without access to state subsidized health services and enabled the holders to have medical services without payments. In 2004 there was amendment for the system to include exemption from the prices of medicine but there were different efforts by the government to rigorously control the high numbers of the beneficiaries on the ground that they are misuse or abuse this scheme which mitigated the number of its beneficiaries.[214] Thirdly, the reform emphasized the right of orphans and widows to get monthly payments and tried to limit the workers' beneficiaries by cancelling the lists of seasonal and temporary workers. This only allowed certain workers to get benefit from this assistance, who had accidents or illness with at least 25 percent of disability.[215]

3.4.2 Microcredit Programs

AKP also realized the high percentages of poverty inside the Turkish community. Aziz Akgul, the deputy of Diyarbakir, proposed for government the model of

[211]Buğra, A., & Keyder, Ç., "The Turkish Welfare Regime in Transformation," *Journal of European social policy*, *16*(3), p.213, (2006).

[212]Patton, M. J. "The Economic Policies of Turkey's AKP Government: Rabbits from a Hat?," *The Middle East Journal*, p.518, (2006).

[213]Eder, M., "Retreating state? Political Economy of Welfare Regime Change in Turkey," *Middle East Law and Governance*, *2*(2), p.164, (2010).

[214] Yegenoglu, M., & Cosar, S., "The Neoliberal Restructuring of Turkey's Social Security System," *Monthly Review,* 60(11), p.41, (2009).

[215] Ibid, p.46.

Grameen Bank which introduced by Mohammed Yunus in Bangladesh and achieved high degrees of success in reducing poverty by providing small loans for the poor to begin their own projects especially for women inside their houses.[216] This idea was welcomed by the Prime Minister Erdoğan who commented that the main cause behind poverty in the Turkish community is the lack of capital and such program would enable the poor to produce by themselves to enhance their living situations.[217]

AKP government organized a conference in Istanbul on June 9-10, 2003 named by International Conference on Poverty Reduction through Microcredit. The government invited the founder of the Bangladesh model, Mohammed Yunus, and many experts of that bank. The main idea in that conference was to prove that the method of unconditional aids to alleviate the problem of poverty would create laziness inside the Turkish community. Thus, this kind of aids is to be granted for the ill and disabled. Instead, the alternative of microfinance is an effective solution for this problem because of its ability to create producing people instead of lazy ones.[218] The final declaration of that conference texted that the government had to be responsible to provide an enabling environment for this project, as well as, the support of other hands like municipalities, NGOs, and individuals. In addition, the government presented 75 million dollar from the funds of the World Bank and 50 percent of the Social Assistance and Solidarity Funds to the assets of this project. After the conference, there were many visits by Grameen Bank experts and Turkish directors to many places like Istanbul, Ankara, and Diyarbakir. Furthermore, two of NGOs to present microcredit programs were established in 2003 which were Maya

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[216]Gurses, D., "Microfinance and Poverty Reduction in Turkey," *Perspectives on Global Development and Technology*, *8*(1), p.100-101, (2009).
[217]Buğra, A., & Keyder, Ç., "The Turkish Welfare Regime in Transformation," *Journal of European social policy*, *16*(3), p.223, (2006).
[218]Gurses, D., "Microfinance and Poverty Reduction in Turkey," *Perspectives on Global Development and Technology*, *8*(1), p.100-101, (2009).

Enterprise for Microcredit and Turkish Grameen Microfinance Project, (TGMP).[219]
2922 women were the beneficiaries of the project in Diyarbakir in 2006 by the
efforts of TGMP which started to work in 2003 as a typical model of GB. The fields
of work by these women sorted in 3 percent in agricultural sector, 16 percent in
processing and production, 16 percent in animal breeding, 28 percent in small shops,
and 19 percent in trade and small business.[220]

These projects are still at the beginning stage and there are no available surveys to
measure its effectiveness and its impact on alleviating poverty in Turkey. And it is to
be considered that those kinds of projects force the poor to pay high rates of interests
which in many cases became unaffordable for them and many of the extreme poor
refused to participate in these projects fearing of these high interests. Gurses stated
that both Maya and TGMP presented the microcredit for 10,000 beneficiariesafter
years of working thus these numbersare not impressive when there are millions of
Turkish people are economically vulnerable[221] Therefore, there was suggestion by
Gurces for the Turkish government to adopt these projects and to give it more
priority rather than the two NGOs. He claimed that this kind of state intervention
hand by hand with the other actors is going to rescue large numbers of people by
pulling them out of this problem.

3.4.3 Charity Foundations

The Islamic roots of AKP affected its policy towards the process of alleviating
poverty within Turkey. Therefore, AKP encouraged the establishment and
proliferation of the charity foundations all over Turkey. They were the sole
institutions responsible to overcome the problem of poverty. By contrast, this style of

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[219]Ibid.
[220] Ibid.
[221] Ibid, p.103.

dealing with this problem was criticized by different parties of the opposition preferring the modern methods to deal with this problem. These foundations target different categories of poor inside Turkey especially orphans, widows, disabled, and elderly.[222]

The foundations ruled by AKP and other Islamic groups in Turkey succeeded to a big extent in the process of mobilizing and generalizing the Islamic principles to encourage their initiatives to collect donations from the Turkish societies with a hand of help by the local municipalities. Their work exceeded these categories to include virtual campaigns in Ramadan and T.V. broadcasting programs in the sake of diversifying their charitable activities.[223] To encourage and enhance the efforts of these foundations, two laws were adopted by the parliament in 2004 and 2005 to ease and regulate the work of 973 foundations to be under the supervision of Fund Board and SYDGM. The donations collected by these foundations increased dramatically thus it rose from 400 million Turkish Lira in 2004 to 2.5 billion in 2008. Their support was typed in: providing food for 2.1 million families; distributing educational materials for 2 million students; and rebuilding 28.000 houses.[224]Deniz Feneri is a clear example of these foundations which got its permission from the government to collect donations from the public and private sectors within the country and it is well known by its support for children who are poor, needy and disabled.[225]

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[222]Buğra, A., & Adar, S., "Social policy Change in Countries without Mature Welfare states: The Case of Turkey," *New Perspectives on Turkey*, *38*, p.104, (2008).
[223]Buğra, A., & Keyder, Ç., "The Turkish Welfare Regime in Transformation," *Journal of European social policy*, *16*(3), p.224, (2006).
[224]Eder, M., "Retreating state? Political Economy of Welfare Regime Change in Turkey," *Middle East Law and Governance*, *2*(2), p.174, (2010).
[225] Ibid, p.180.

These types of foundations were strongly criticized because they reflect the image that the social assistance in Turkey is working according to the ethnic, religious,and ideological bases.[226] In addition, they revealed that the government wanted to achieve political gains by selectively choosing poor or giving the free permissions for foundations to collect donations from the country. Eder ended his article "Retreating State? Political Economy of Welfare Regime Change in Turkey" by stating that "What is worse, so far, neither the privatization nor the politicization of welfare provision have addressed the structural poverty and/or reduced the insecurity and economic vulnerability in the country."[227]

3.5 Conclusion

This chapter began with the determinants of the political stability in Turkey: the issue of civil-military relations; the Kurdish issue; and the nature of the Turkish government. Hence, it was seen that the aspect of majority government in Turkey is behind the political stability in Turkey since 2002. Then, there was studying for the different efforts of the AKP government in order to consolidate the principle of democracy within the Turkish community benefiting from 'Copenhagen criteria'. There was also mentioning for what happened recently in Turkey 'Gezi Park events' and how these events did affect the image of Turkey in western world. Afterward, this chapter addressed the aspect of political Islam in Turkey beginning with the history of political Islam movements and the most important event occurred in 2001 after the split of happened in this movement and the appearance of the reformists 'AKP' and traditionalists 'SP'. Then, there was reciting for the different trials by the AKP to Islamize Turkey and how these trials had been opposed by the different

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[226]Pinarcioğlu, M., & Işik, O., "Not Only Helpless but also Hopeless: Changing Dynamics of Urban Poverty in Turkey, the Case of Sultanbeyli," Istanbul. *European Planning Studies*, *16*(10), p.1354, (2008).
[227]Eder, M., "Retreating State? Political Economy of Welfare Regime Change in Turkey," *Middle East Law and Governance*, *2*(2), p.184, (2010).

secular actors in the country without ignoring the role of Islamist businessmen and their contribution to what so called 'marriage between Islam and neo-liberalism in Turkey'. Next, there was searching for the critical dynamics behind the economic development in Turkey since 2002. Thus, these dynamics were coincided with the government's need to maximize the Turkish budget by adopting rapid solutions such as privatization and foreign direct investment in order to overcome the financial deficits. Finally, it this section discussed the ways and strategies used by the AKP government to deal with the problem of poverty. Hence, there were no explicit strategies that were prepared by the AKP to alleviate the problem of poverty and the high responsibility was put on the shoulders of charity foundations. Next chapter attempts to study the same four required aspects of the Malaysian experience to find out the hoped solutions presented by it in order to compare them with the Turkish ones.

Chapter 4

MALAYSIAN EXPERIENCE

4.1 Political Stability and Democracy in Malaysia

It is considered that one of the most important factors behind the political instability in any state is the ethnic tensions and conflicts.[228] Malaysian policy makers and elites understood very well the need for the stability, particularly in the political aspect and the government to a big extent has succeeded in managing the tensions attributed to ethnic causes.[229] What happened in 1969 was a lesson for them because the ethnic tensions led to the loss of 200 of Malaysians' lives and the adjournment of the parliament.[230]Ever since the British Colonizers, this ethnic conflict within the Malaysian community lingered on. The well Known British policy, 'divide and rule'[231], led to the current ethnic character inside the Malaysian society. The British colony increased the migration rate for Malaysia; hence Chinese and Indians migrated to the Malaysian territories giving the ethnic nature for this country.[232]

Moreover, this kind of ethnicity is considered as one of the most complex ones in the world because it includes disparity in three different aspects religion, language and

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[228]Klitgaard, R., & Katz, R., "Overcoming Ethnic Inequalities: Lessons from Malaysia", *Journal of Policy Analysis and Management*, *2*(3), p.333, (1983).

[229]Farouk, A., & Fazwan, A., "The Limits of the Civil Society in Democratizing the State: the Malaysian Case", *Kajian Malaysia*, 29(1), p.8, (2011).

[230]Haque, M. S., "The Role of the State in Managing Ethnic Tensions in Malaysia A Critical Discourse," *American Behavioral Scientist*, *47*(3), p.245, (2003).

[231] Divide and rule: or 'divide and conquer: a former colonial policy that is designed in order to break up the structures of the existed power in the colonized states and to prevent the different parties in the state from linking up.

[232]Khader, F. R., "The Malaysian Experience in Developing National Identity, Multicultural Tolerance and Understanding through Teaching Curricula: Lessons Learned and Possible Applications in the Jordanian Context".*International Journal for Humanities and Social Sciences*, 2(1), p.270, (2012).

identity. Firstly, Malays, who form 53.3 percent of the Malaysian population and known as the original inhabitants of the land, are Muslims and speak Pahsa Malay language. Secondly, Chinese, with 26 percent of the population, follow the religions of Buddhism and Confucianism and many languages are spoken due to their different races, for instance Hakka, Contonse, Mandarin, and Hokkin. Thirdly, Indians, with 7.7 percent of the Malaysian community, follow the religion of Hinduism and their spoken language is Tamil.[233] However, Malaysia is noticed as one of the most stable and peaceful states all over the world.[234]

The determinants and dynamics behind the political and ethnic stability in Malaysia that will be elaborated in the next section are: the role of education;[235] state initiatives;[236] coalition governments;[237] preferential policies;[238] democratic system.[239]

4.1.1 The Role of Education

Due to the special nature of education that appears as symbolic instruments to convey the cultural and social needs of societies, either it may contribute to the ethnic and political tensions in the plural societies or to the stability in these societies.[240] This special nature was given its value by the Malaysian elites, especially at the beginning stages of their developmental plans and their obvious

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[233]Khader, F. R., "The Malaysian Experience in Developing National Identity, Multicultural Tolerance and Understanding through Teaching Curricula: Lessons Learned and Possible Applications in the Jordanian Context".*International Journal for Humanities and Social Sciences*, 2(1), p.270, (2012).
[234] Ibid.
[235] Ibid.
[236] One Malaysia, "People First, Performance Now",
http://www.ssig.gov.my/ssig/kcent/material/1malaysia_-_english_version[1].pdf, (Accessed on April 15, 2013)
[236] Ibid, P.4.
[237]Salih, T. M., "Growth, Policymaking, Trade and Economic Development In Malaysia," In *2012 Conference (56th), February 7-10, 2012, Freemantle, Australia* (No. 124437), Australian Agricultural and Resource Economics Society, (2012).
[238]Haque, M. S., "The Role of the State in Managing Ethnic Tensions in Malaysia A Critical Discourse," *American Behavioral Scientist*, *47*(3), p.248-252, (2003).
[239]Heufers, R., "The politics of democracy in Malaysia," *Asien*, *85*(1), p.59, (2002)
[240]De Micheaux, E. L., "The Role of Educational Policy in Overcoming Ethnic Divisions and Building Malaysia's Nation," In *Communication En Session Parallel, Oxford International Conference on Education: Education and Geopolitical Change. Oxford, UK: Grande-Bretagne*. P.3, (1997)

need to modernize their society in the sake of providing national unity, equal opportunities, and social equality.[241] In Malaysia, the student does not interact with the other races till his/heris around schooling age. Therefore, education should be as a platform for those students to understand the real meanings of tolerance and the culture of acceptance.[242] In addition, the clear objectives of the national curricula which related to the achievement of social harmony can be sorted in: reaching to the greatest degree of the national unity, generalizing the democratic conceptions of the Malaysian life, promoting social justice, and guaranteeing the freedom of religious and cultural beliefs.[243] This means that the mechanism of education is designed to avoid the ethnic tensions and conflicts by giving more emphasis on the values of tolerance in their curriculums which appears in many examples. For instance, in the primary schools there is a story talks about three children, one of them called Ali, to indicate to Malayan name, with his friend Ah Chong, to indicate to Chinese name, ant they were walking with each other and saw their friend Raja, to indicate to Indian name, in panic and they quickly came and helped him. In this story the student can understand many values like tolerance and acceptance. As mentioned above, education can be part of the problem and part of the solution in the multi-ethnic societies.[244]

When discovering several of Malaysian curriculums in many stages, we see that these curriculums were prepared to serve many goals in order to achieve many short and long objectives. Thus, the government is working to reinforce the existed values within their studentsby incorporatingdifferent moralities in curriculums to enhance

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[241] Ibid, p.4.
[242] Khader, F. R., "The Malaysian Experience in Developing National Identity, Multicultural Tolerance and Understanding through Teaching Curricula: Lessons Learned and Possible Applications in the Jordanian Context".*International Journal for Humanities and Social Sciences*, 2(1), p.270, (2012).
[243] Ibid, p. 272.
[244] Ibid, p.272-273.

the national unity of the country and to increase tolerance between its fellow citizens. Values like moderation, self-reliance, respect, humility, love, cooperation, justice, diligence, freedom, converge, rationality, honesty, and public spiritedness are accentuated.[245]

4.1.2   Role of State Plans: 'One Malaysia Initiative'

This initiative attributed to the ex-Prime Minister Mahathir Mohammed in 1991, who attempted to form a one and unified Malaysian society without any consideration to the differences in race, religion, and language. His main purpose was to achieve the required integration among the main three races in Malaysia.[246] The current Malaysian Prime Minister, Dato Sri Mohd Najib Ton Abdol Razak, adopted this point of view and summoned to promote it further coming up with the slogan 'people first, performance now'.

In addition, this initiative also called for strengthening the relationships and cooperation among the Malaysian community. This was one more fruitful investment to avoid any coming threats or conflicts resulted from ethnic reasons. To explain and justify this initiative Najib stated that "We stand, we think, and we act as Malaysians. And we take actions based on the needs of all ethnic groups in our countries."[247] Means that the different Malaysian races have to think and act without giving any consideration to their different languages, religions, and ethnicities. And, they have to behave as Malaysians regardless their different racial boundaries.[248] This initiative did not ignore that the governmental leaders and agencies are responsible for promoting these conceptions by executing their tasks efficiently to let this initiative

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[245] Ibid, p.275.
[246] Ibid, p.273.
[247] One Malaysia, "People First, Performance Now", http://www.ssig.gov.my/ssig/kcent/material/1malaysia_-_english_version[1].pdf, p.3, (Accessed on April 15, 2013).
[248] Ibid, P.4.

achieve its main goals.[249] In other words, this can be practically translated into the enhancement of the values of unity by urging all citizens from the different races give their first loyalty to the country, before the narrow interests of any race by understanding that Malaysia is a state for all its peoples; regardless, of any ethnic differences. Additionally, assuming this feeling of belonging to one nation has been enhanced by improving Malaysian citizen social situation making everything fair and equitable for them and to assume this belonging by this required feeling.[250] Three important inclinations have to be promoted to empower this initiative. First, the principle of acceptance thus Malaysians have to interact with each other as loyal friends. Second, the principle of national spirit that should be attributed to the prior loyalty for the country through augmentation the feeling of nationally. Third, the principle of social justice in order to promote the idea that all races are to be accounted fairly and equitably in social and welfare state.[251]

4.1.3 Coalition Government

To achieve the political and social stability among the Malaysian community, a political coalition was established to be able to meet the interests of the different races, especially Malays, Chinese, and Indians.[252] This coalition consisted of the United Malays National Organization, (UMNO), that represents Malays, Malaysian Chinese Association to represent Chinese, and the Malaysian Indian Congress for representing Indians. This union won elections in 1955, and formed the government in 1957. Additionally this grouping became known as Barisan Nassional 'National

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[249] Ibid, p.5.
[250] Ibid, p.7.
[251] Ibid, p.7-8.
[252]Salih, T. M., "Growth, Policymaking, Trade And Economic Development In Malaysia," In *2012 Conference (56th), February 7-10, 2012, Freemantle, Australia* (No. 124437), Australian Agricultural and Resource Economics Society, p.7, (2012).

Front' in 1971, after incorporating many parties especially from the opposition becoming 13 parties.[253]

Since its establishment, this partnership has acted as a multi-ethnic party to represent all Malaysians beyond their differences. Additionally, candidates of this association do not compete against one another, supposing that Malaysians have the awareness to vote for the candidate of this partnership, disregarding which ethnic group he or she belongs to. This kind of alliance played an effective hidden role in bridging the differences among the society. Thus, it appears as ethnic-based at the first glance, but it encourages the multi-ethnic cooperation.[254] Moreover, this kind of coalition became as a political culture inside this society especially among the middle class. Thus, this class was being convinced that this alternative is the one and only viable solution to overcome the inter-ethnic tensions and to achieve the required political stability.[255]

4.1.4 Preference' Policies

The maintenance of the political stability inside the Malaysian society was one of the most important factors behind adopting the preferential policies toward the race of Malays because of the unequal economic situation among the different ethnicities that time which prevented the Malay race from participating in the business and industrial sector.[256] The Malaysian policy makers felt that there was a need to restructure the Malaysian society by giving preferential policies pro-Malays to achieve the required social equality and to reduce the tremendous percentage of

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[253]Haque, M. S., "The Role of the State in Managing Ethnic Tensions in Malaysia A Critical Discourse," *American Behavioral Scientist*, *47*(3), p.246, (2003).

[254]Kreuzer, P., "Democracy, Diversity, and Conflict: Managing ethnic divisions in the Philippines and Malaysia". *Occasional Paper*, *30*(4), p.14, (2006).

[255]Farouk, A., & Fazwan, A., "The Limits of the Civil Society in Democratizing the State: the Malaysian Case", Kajian Malaysia, 29(1), p.8-9, (2011).

[256]Haque, M. S., "The Role of the State in Managing Ethnic Tensions in Malaysia A Critical Discourse," *American Behavioral Scientist*, *47*(3), p.248-252, (2003).

poverty among this race.[257] Thus, the rhetoric of political stability was used to persuade the Malaysian people that if these policies had not been adopted, the national unity and social cohesion will be in danger and there would be a suitable place for ethnic tensions. In 1969, Malays were targeted because of their distinctive status as the historical and rightful owners of the land.[258] These preferential policies were represented in giving special and specific quotas for Malays and these quotas were to be given in the sector of education, employment, poverty eradication projects, and special preferences in business and industry.[259]

Many scholars like Crouch considered that those policies were very critical in keeping the stable political situation inside the society. He argued that to a big extent itwas revealed successfully in the ongoing high growth rates, which continued for years because of the social cohesion and national unity.[260] In addition, it was seen that it became as awareness inside the Malaysian societies that these privileges presented to the Malay were because of their rapid demographic expansion and historical political dominance.[261] The contrasting point of view claimed that these policies negatively affected the Malaysian society due to its creation for the culture of us versus them emphasizing that these policies were far from the concept of nationalism and the value of citizenship because it fragmented the Malaysian society instead of unifying it.[262] Furthermore, there were many voices claimed that these policies failed to achieve the goal of restructuring the society because, as assumed, the economic imbalances between the three races have remained on the

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[257]Ibid.
[258] Ibid, p.256.
[259] Ibid, p.252.
[260] Ibid, p.256.
[261] Ibid, p.262.
[262]Farouk, A., & Fazwan, A., "The Limits of the Civil Society in Democratizing the State: the Malaysian Case", Kajian Malaysia, 29(1), p.13, (2011).

governmental agenda.[263] The third perspective was a moderate one, thus it thought that these policies provided a stable political atmosphere, but when related to the economic side itstill ineffective.[264]

4.1.5 Democracy in Malaysia

There is common conception in Malaysia that the legitimacy of any government is to a big extent related to its ability to overcome the ethnic and political tensions. Thereby, to achieve the required political stability inside the society and to achieve this goal is more important than the full compliance with the democratic values.[265] The democratic aspect adopted by the Malaysian regimes considered as 'via media' between democracy and authoritarianism. Thus, it is seen as democratic because of the free elections. But, at the same time elections were not only unfair but also authoritarian for many reasons. The authoritarian aspect can be seen also on the repressive authoritarian acts and laws like Internal Security Act, (ISA), which allows the government to detain any citizen without trial, especially for those that government fears of their threats.[266]

4.1.5.1 Electoral System

The electoral system in Malaysia is known as 'First Past the Post' (FPTP) was designed by the Malaysian elites to achieve the goal of political stability because it was planned to represent the different races of each state of Malaysia by bridging the different interests of each group. Thus, it allowed for the current ruling coalition to accept 13 of the different ideological and ethnic parties. In addition, it was considered as an incentive for the opposition to arrange a competitive alliance in

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[263]Kreuzer, P., "Democracy, Diversity, and Conflict: Managing ethnic divisions in the Philippines and Malaysia". *Occasional Paper*, *30*(4), p.18, (2006).
[264]Heufers, R., "The politics of democracy in Malaysia," *Asien*, *85*(1), p.59, (2002).
[265] Ibid, p.41.
[266]Farouk, A., & Fazwan, A., "The Limits of the Civil Society in Democratizing the State: the Malaysian Case", Kajian Malaysia, 29(1), p.13, (2011).

2001.[267] Nonetheless, this system has been criticized for many reasons,hence it ignores the representation of other marginalized minorities, and it does not give the suitable share for women in the parliament. Furthermore, it increases the nature of ethnicity because of ethnic-based parties, encourages the probability of one party to win in certain regions, and it wastes a big number of votes because of its ethnic-based system.[268]Moreover, there was an obvious criticism for the electoral process in Malaysia by one of the Asian observing committees (AFNREL), which stated that the Malaysian Election Commission should be granted more authority and to be free from the governmental interventions and pressures. Consequently, it invited for reviewing the laws and rules governing the work of the electoral commission to increase its authority in order to guarantee free and fair elections[269]

4.1.5.2 Detention of Anwar Ibrahim and the Independence of Judiciary

What happened with the former deputy Anwar Ibrahim weakened the Malaysians' trust in the judiciary system. After his invitation for a rally against the Prime Minister Mahathir Mohammed and his demand for urgent reforms, he was detained and charged by different issues like corruption and practice of sodomy. Hence, this action and these charges were seen as a direct revenge from Ibrahim by the government. This trial was severely criticized by the reports of Human Rights Watch stating that it was a massive intervention by the executive authorities in the judicial affairs, and it urged the need to separate the two authorities, and stressed the importance of the independence of judiciary.[270]

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[267]Heufers, R., "The politics of democracy in Malaysia," *Asien*, 85(1), p.44, (2002).
[268]Ibid, p.44-45.
[269] Ibid, p.49.
[270]Ibid, p.53-54.

4.1.5.3 Freedom of Media

The Malaysian government designed many repressive and coercive laws to control the freedom of media. This control, in turn, included the publications and journalists. Printing Presses and Publication Act was designed to achieve this control. It stated that each newspaper or regular publication has to be permitted by the Ministry of Home Affairs. This permission is to be valid for one year and it has to be re-permitted annually. Hence, these permissions are to be allowed after the ministry's declaration acknowledging that it does not affect the national order.[271] In addition, the government uses this rhetoric of political stability and economic development to subordinate the several agencies of media to serve the governmental agenda by adopting the policy of journalism improvement, which was added to the direct and indirect interventions and controls by the state in the field of media.[272]

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[271]Heufers, R., "The Politics of Democracy in Malaysia," *Asien*, *85*(1), p.56, (2002).
[272] Ibid, p.58.

4.2 Malaysian Experience and Politicizing Islam

The developmental experience in Malaysia was consistent to a big extent with the principles and foundations of the Islamic economy; although, there was no explicit declare for this use. The use of Islamic instructions in this experience appeared in many several aspects. First, there were many attempts to achieve the social equality between all Malaysian provinces which led to the targeted development in different sectors. Second, there was harmonizing with Islamic principles in giving the most important consideration for humans and the social equity, economic values, and moral norms to be achieved among them. Third, the policy makers followed the policy of self-dependence by depending on the available human and financial resources justifying this as one of the Islamic values. Fourth, there were trials to improve the foreign investment by encouraging the foreign Muslims who have the capital to enter the Malaysian market. Fifth, there was use for the Islamic principle 'Shura'[273] which agrees in some aspects with democracy by providing channels of communication between the different minorities and parties inside the Malaysian territories. Sixth, the government's commitment to many of the Islamic principles, particularly when related to different financial transactions. Finally, the Malaysian government complied with the Islamic rules when it compensated the damaged workers who had been harmed because of the privatization.[274]

4.2.1 Islamic Principles and Capitalism

Islam and state relationship in Malaysia was to a big extent affected by the capitalist transformation. Thereby, the previous beliefs about the supposed relations between the different minorities in the same society, occurred within the period of

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[273] Islamic principle argues that every decision has to be taken after consulting the different experts and it meets with the principle of democracy in different aspects.
[274] Al-Sawe, Abdelhafez, "A Reading in the Malaysian Developmental Experience", *Islamic Awareness Journal*, 451(5), p.4-5, (2012).

colonization, caused many ethnic divisions between the Malaysian workers. The Malaysian government attempted to focus on this issue through the New Economic Policy, (NEP), and it claimed that it was seeking to protect and advance the socio-culture interests especially when related to the economic aspect.[275] Since 1980, the Malaysian communities felt that there were many steps to convey their preoccupations about culture and language to be focused on economy and wealth, from the old sector of agriculture to the new one of trade, from micro economy to the international one, and from the rural villages to the urban cities.[276]

The evolution that occurred with the Islamic politics in Malaysia was to be appropriate with the capitalist requirements and this evolution translated to the reality by the operations of constituencies reshaping. For example, the case of the previous division among the class workers in the Malaysian community; especially, in the aspect of wealth distribution thus the government wanted to build a society which is less preoccupied by socio-economic inequalities and more understandable to the ethnic differences.[277]

The use of Islamic instructions by the Malaysian government in the case of political economy was considered to a big extent as successful one. This success attributed to the deep understanding by the Malaysian leaders for the reality of the Islamic religion. They understood that this religion is like the other religions, thus it contains

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[275]Ibid. p.6.
[276] Hadiz, R. Vedi, Teik, Boo Khoo, "Critical Connections: Islamic Politics and Political Economy in Indonesia and Malaysia", Inistitute of Developing Economics, IDE Discussion Paper No. 239, p.12, (2010).
[277] Ibid.

many rules, norms, principles, and values which cannot be separated from the daily life, human nature, and secular requirements.[278]

Those policy makers thought that the process of separating Islam from politics was an error, which should be avoided. They recognized that any hostile politics resulted from the Islamic politicians is not attributed to the religion itself but for those who misunderstood the traditions of this religion and this is going to harm the image of Islam. On the other hand, the progressive, cooperative, and developmental understanding of this religion will reflect a persuasive idea about it.[279]

Malaysia tried to harmonize capitalism with Islamic principles in two aspects:

4.2.1.1 Taxation

The population number of Malaysia is about 28 million, and more than half of them are Muslims. The way that the Malaysian government collects the taxes from the Muslim people is by depending on the operation of monthly-automatic discount. Following Islamic Shari'a, Malaysian government specifies 2.5 percent from the Muslim salaries and then uses it in the ways of social solidarity targeting the lowest class to achieve the social equality. These taxations are known as Zakat. Zakat is an Islamic concept, which is one of the pillars of Islam. It is distributed in a specific time period by the well off families to the poor in the month of Ramadan. Moreover, the government gets benefit from it as a seasonal aid for the needy areas like winter aid, school seasons, and the two Muslim Aids.[280]

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[278] Ibid.
[279] Ibid, p.25-26.
[280] Karim, J. W., "The Economic Crisis, Capitalism and Islam: the Making of a New Economic Order", Globalaizations, Vol.7, Nos. 1-2, p.111, Routledge Taylor and Francis Group, (2010).

This type of taxation used to belong to the Islamic-compliant banks that had been spread in the Malaysian territories since 1970s. However, there are a big number of Malaysians who do not only pay automatically for the government but also for the charity's institutions. They try to reach to the needy people individually. This kind of discount lies only upon the Muslim citizens. Minorities which account for more than 45 percent of the Malaysian community do not have to pay for this program; however, the needy people of these minorities get benefit from these programs as much as Muslims.[281]

Additionally, there are many institutions like Malaysian Cooperative Insurance Commission which has preoccupied by providing the required services for the poor. These institutions do not give the first consideration for the material values, but for the moral and social ones inspired by the system of the Islamic economy which prefers these two norms above any else.[282] This project with many others contributed to a big extent in reducing the percentage of disparities between the different classes in the Malaysian Community thus the official statistics ensured that the amounts collected from the different processes of Zakat transformed from 17.9 million dollar in 1991 to be 139.1 million in 2004. This noticed improvement coincided with the Malaysian government plan to reduce the average of poverty between 1970 and 2000. This plan witnessed a large success thus the percentage of poverty inside the Malaysian territories decreased from 52 percent of population in 1970 to become 5 percent these days.[283]

[281] Ibid, p.111.
[282] Abd-Rahman, I. H., & Rabi, Kh., "The Journy of the Islamic Economy in Malaysia by the Ideas of Mohammed Mahathir", http://iefpedia.com/arab/wp-content/uploads/2011/03/.pdf. (Accessed on March 15, 2013).
[283] Karim, J. W., "The Economic Crisis, Capitalism and Islam: the Making of a New Economic Orde?", Globalaizations, Vol.7, Nos. 1-2, p. 111, Routledge Taylor and Francis Group, (2010).

4.2.1.2 Malaysian Islamic Banking

The real understanding for the Islamic banking system can be realized when comparing it with the conventional banking. The most important difference between them is that Islamic banking systemuses the way of sharing the profits between the bank and the client and conventional banks depend on the pre-fixed interest. Islamic banking activities suit with the principles of Islamic law 'Shari'a' and take the instructions from Islamic economics.[284]

Usury 'Riba', or as it is known "interest", is taboo under Islamic law, thus urges not to put any preconditions between the creditor and debtor to increase the value of the debt. In addition, Islamic law is against any financial transaction which contains any kind of risk putting it under the prohibited transactions.[285] There are many obstacles on the face of Islamic banking system comparing with conventional one thus Islamic banking system is considered as a new comer because the first Islamic Bank appeared before decades while the conventional ones started to work before hundreds of years. The second reason that the Islamic banks have to expose transaction to be suitable with Islamic and conventional rules at the same time. This limits the acceptable transactions, while the conventional banks accept the transactions suited with the conventional rules only.[286]

The beginning of the Islamic financial deals in Malaysia attributed to the Islamic Financial Act which was ratified before 30 years, in 1983. This act was behind the establishment for the first Islamic bank in Malaysia that together with other banks transformed the financial system in Malaysia into a rich, mature and diverse one.

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[284] Abdulwahab, H., Osman, E., Ibrahim, N., & Masruki, R., "Financial Performance of Malaysian Islamic Banks Versus Conventional Banks", p.2, http://www.wbiconpro.com/614-Rosnia.pdf, (Accessed on March 25, 2o13).
[285] Ibid.
[286] Ibid.

Consequently, it is found that the financial banking assets in the Malaysian Islamic banks reached to 56 billion dollar with ongoing rates of growth and the rate in 2009 was between 18-20 percent. This evolution in the Islamic banking system coincided with a perceived one in constructing the Islamic financial institutions hence the number of them became 48 these days and 17 of them are Islamic banks.[287] The Islamic banking law which was issued in 1983 gave a considerable license for the licensed Islamic banks to practice the banking activities which are compatible with the Islamic Shari'a beginning from the simple activities to the most complex ones like banking investments. However and till these days, the major banking activities practiced in Malaysia depend to a big extent on the conventional model of banking.[288]

In the recent years, it is perceived that there is an increase in the Islamic banking assets and reserves. Dr. Younis Swalhy, the vice dean of the Islamic Economic College in the Malaysian Global Islamic University, attributed this increase to the Malaysian deposits in Islamic banks that was the outcome of the growing trust from those people according toits successful performance. He added that the liberalizing of banking market with Shari'a-compliant allowed many international banks to enter the Malaysian market and contributed to the innovation of new deals which are suitable with Islamic Shari'a. The increase of the Malaysians' demand and transformation toward the Islamic financial and banking system should not be ignored.[289]The Kuala Lumpur Conference for the Islamic Finance held in 2011 issued a report that Malaysia performed a very successful model in harmonizing

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[287]Ibid, p.1.
[288] Iadat, Z., "The Malaysian Experience as a Model for the Islamic Banking," *Startimes*, http://kenanaonline.com/users/ahmedkordy/posts/157341, (Accessed on April 12, 2013).
[289] Al-Adam, M., "The Islamic Banking Boom Continues in Malaysia", *Al- Jazeera,* http://www.aljazeera.net/ebusiness/pages/bv.1355534169,d.Yms, (accessed on March 21, 2013).

between the Islamic and conventional banking system through the use of flexibility and simplicity principles and by its success in suiting between the Islamic laws and capitalist ones.[290]

The Islamic banking industry in Malaysia resulted positive outcomes in 2005 thus the quantity of assets and profitability reached for the first time to 101 billion Malaysian ringgit and the amount of assets became 111.8 billion Malaysian ringgit reflecting a strong growth by 17.7 percent with 11.3 percent from the aggregate assets of the banking system. In addition, there was an increase in the share of deposits and Islamic finance becoming 11.7 percent and 12.1percent for the local industry.[291]

4.2.1.2.1 Islamic Banking Mechanism of Work

The financial transactions under the Islamic Malaysian banks are divided into two ways: murabaha sale "profit sharing" and future price sale. Thus, these two kinds of sale have the same nature and the differences are attributed to the period of the deal.The former starts from one month to a year and the latter is about the contract which needs more than one year. The mechanism of work can be understood that when the Islamic bank client goes to buy the commodity he needs, for example car with price of 50000$, the Islamic bank goes to buy this car by that price and decides to sell it by an increase for example 60000$ and the client has to pay the price through 5 years by paying 1000$ every month. In this way the profit of Islamic bank

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[290] Ibid.

[291] Iadat, Z., "The Malaysian Experience as a Model for the Islamic Banking," *Startimes*, http://kenanaonline.com/users/ahmedkordy/posts/157341, (Accessed on April 12, 2013).

can be identified by the perceived increase which imposed on the price of the car, 10,000\$.[292]

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[292]Al-Adam, M., "The Islamic Banking Boom Continues in Malaysia", *Al- Jazeera,* http://www.aljazeera.net/ebusiness/pages/bv.1355534169,d.Yms, (accessed on March 21, 2013).

4.3 The Economic Development in Malaysia

What happened to Malaysia in the second half of the last century was considered as one of non-precedential successes, and was seen as out of reach achievement for many of the developing countries that did not achieve such kind of progress.[293] This success in development was attributed to many of dramatic changes in the Malaysian economy. These changes were perceived in the transformation from depending on agriculture and extraction of mineral in 1960s to achieve an imaginative share of manufactured exports becoming 80 percent of the Malaysian exports in 1998.

Table (4): JDP in Malaysia "between" (1960-2000).[294]

Period	(% P.A)
1960s	6
1970s	7.5
1980s	5.9
1991-1995	8.7
1996-1997	8.2
1998	-6.7
1999-2000	5

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[293] Ariff, K. A. M., "Economic development of Malaysia: pattern and perspective," *The developing economies,* 11(4), p.389, (1973).

[294] Economic Planning Unit, Prime Minister's Department, Malaysia, by: Nyagetera, B. M., "Malaysian Economic Development: Some Lessons for Tanzania," *Tanzanian Economic Trends,* 15:1, p.12, (2002).

Table (5): Malaysian production in different sector "between" (1970-1998).[295]

Sector	1970	1980	1990	1995	1998
Services	36.2	40	42.5	44	48.1
Construction	3.8	N.A.	3.6	N.A.	4.1
Manufacturing	13.9	21	26.9	33	35.4
Mining	13.7	N.A.	9.8	N.A.	7
Agriculture	29	22	18.7	13	11.8

Table (6): Percentages of exports for the each sector "between" (1970-1998).[296]

Particulars	1970	1998
Volume of exports (RM million)	5,163	284,516
Product as % of total exports		
Rubber	33.4	1.1
Tin	19.6	0.2
Forestry products	16.3	1.5
Oil and Gas	3.9	5.1
Manufactures	11.9	80.5
Palm Oil	5.1	5.8
Others	9.8	5.8

However, this development coincided with the agricultural one because there was a tremendous creation for many of non-agricultural jobs paving the way for the increase in demanding for the agricultural sector causing mutual benefit for the both

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[295]Ibid.

[296]Ibid..

incomes.[297] The development in the industrial and manufacturing sectors witnessed many policies and alternatives which designed according to the Malaysian interest in different stages. These alternatives were represented in: import-substitution era, export-oriented policies, protective and liberal strategies, open and selective systems, and Laissez-Faire and intervention philosophies.[298] The development in the industrial sector can be identified in these stages:

4.3.1 During the 1960s

This stage was characterized by the Malaysian clear direction toward industrialization that appeared in their trials to replace the imported industries by local ones. These trials achieved good rates of growth reached to 9.9 percent at the end of 1960s and its contribution for the Malaysian Gross National Product, (GNP), was 12.4 percent.[299] The government adopted the policy of self-reliance in this era without giving any considerable role for the foreign aid declaring that the first goals of this new direction were: correcting the Malaysian economic structure; increasing the percentage of employment; and preserving the position of the balance of payments. In addition to the policy of self-reliance, Malaysian government adopted liberal polices with the private sector encouraging them to increase their investment which was contrasted with what happened with the foreign one. Thus, the foreign sector investment was channeled and controlled in the sake of being suitable with the Malaysian national interest.[300] This era too witnessed a process of expanding for the Malaysian exports' market recognizing new important players which were Japan and

[297]Salih, Thamir M., "Growth, Policymaking, Trade And Economic Development In Malaysia," 2012 Conference (56th), February 7-10, 2012, Freemantle, Australia. No. 124437. Australian Agricultural and Resource Economics Society,p.24, (2012).
[298]Ariff, K. A. M., "Economic development of Malaysia: pattern and perspective," *The developing economies,* 11(4), p.390, (1973).
[299]İbid, p.373.
[300] Ibid, p.376-382.

Soviet Union, (USSR), beside the previous partners such as United Kingdom, (UK) and United States of America, (USA).[301]

What had been noticed during the 1960s was the Malaysian admiration of the Japanese experience with a real seeking to get benefit from it. Thus, the Malaysian officials tried to benefit from this model. Furthermore, Japan offered its help for Malaysia by many of soft-interest loans and financial aids. This hand of help increased the economic cooperation between Japan and Malaysia that time.[302]

4.3.2 During the 1970s

Due to its need to restructure the Malaysian economy and also in the pursuit to correct the unequal situation among the people, Malaysian government issued the New EconomicPolicy, (NEP),[303] in 1970. This plan targeted to enhance the living difficulties of Malay, Bumiputheras, who had the majority in population and the political dominance, without redistributing the existed national cake but by increasing their participation in the sectors of investment and industrialization to enlarge that cake.[304] This era witnessed a remarkable shift from adopting the import-substitution polices toward the export-oriented ones because it was understood that reaching to such kind of cake was attributed to the process of accelerating the manufactures' production.[305]

This sector was restricted by the smallness of the Malaysian domestic market; therefore, the need for adopting export-oriented polices was inevitable.[306] One of the most critical dynamics behind that development was the establishment of the free trade zones; especially, for what was related to the labor-intensive industries

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[301] Ibid, p.374.
[302] Ibid, p.388-389.
[303] A governmental economic plan introduced in 1970 in order to reduce the high percentage of poverty inside Malaysia by providing new job opportunities and increasing the levels of income.
[304] Ariff, K. A. M., "Economic development of Malaysia: pattern and perspective," *The developing economies,* 11:4, p.375, (1973).
[305] Ibid.
[306] Ibid, p.375.

including electronics, textiles, and garment industries enabling a large number of Malaysian farmers and their children to join new available jobs and that contributed to reduce the previous rate of poverty. The rule of state, in this period, characterized by its intervention in this sector by buying and restructuring many of the foreign investments' activities and selectively allowing for the others to work under the supervision of Free Trade Zones Act issued in 1971, Licensed Manufacturing Workforce,[307] and Industrial Coordination Act in 1975.[308]

4.3.3 During the 1980s

The beginning of 1980s, witnessed the Prime Minister Mahathir Mohammad's reception for the reins of power. This prime minister put in his consideration the establishment of heavy industrial sector to be under the supervision of the Malaysian government and its institutions. He wanted Malaysia to develop its auto, steal and cement industries.[309] These ambitions coincided with a global recession, occurred in the beginning of 1980s causing a decrease in the international oil prices, increase in the governmental owned enterprises, protectionism by the industrial countries, and appreciation for the Malaysian exchange rate.[310]

As mentioned above, this led to severe deficits in the Malaysian budget and balance of payments respectively. The expectation that the international prices' would witness recovery was not satisfied. This situation called for the Malaysian policy makers in 1986 to adopt new reforms by liberalizing the previous regulations

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[307]Salih, Th. M., "Growth, Policymaking, Trade And Economic Development In Malaysia." 2012 Conference (56th), February 7-10, 2012, Freemantle, Australia. No. 124437. Australian Agricultural and Resource Economics Society,p.11, (2012).
[308]Nyagetera, B. M., "Malaysian Economic Development: Some Lessons for Tanzania," *Tanzanian Economic Trends,* 15(1), p.6, (2002).

[309]Snodgrass, D. R., "Successful Economic Development in a Multi-ethnic Society: The Malaysian Case," No.503, Harvard Institute for International Development, Harvard University, p.8, (1995).
[310]Salih, Th. M., "Growth, Policymaking, Trade And Economic Development In Malaysia." 2012 Conference (56th), February 7-10, 2012, Freemantle, Australia. No. 124437. Australian Agricultural and Resource Economics Society,p.7-12, (2012).

affected the private sector. Hence, liberal reforms in Malaysia succeeded to attract billions of dollars to be invested inside the Malaysian territories resulting 9 percent of growth in 1987, non-precedential prosperity, tremendous number of new employees, and migration of labor from the neighboring countries.[311] The governmental strategies that were adopted in that era could be classified in: privatization; investment promotion; governmental downsizing; and structural adjustment.[312]

4.3.4 During the 1990s

1991 was the year of another long developmental plan; New Developmental Policy, (NDP),[313]that was to be implemented between the period of 1991 and 2000. This plan was seen as an attempt to continue the government's liberal policies that was adopted in 1986, which designed to be as a short solution for the 1980s recession but its effectiveness made the Malaysian policy makers still committed to it as a long developmental strategy.[314] Although the perceived shift of the export-oriented policy took place in 1970s and 1980s, the 1990s presented a huge success in the sector of export-oriented industrialization.[315] Through the implementation of this plan, there was achieving for high rates of growth; especially, in the period between 1991 and 1995 with a growth rate of 8.7 percent and 8.1 in 1996 and 1997 respectively.

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[311]Snodgrass, Donald R., "Successful Economic Development in a Multi-ethnic Society: The Malaysian Case," No.503, Harvard Institute for International Development, Harvard University, p.8, (1995).
[312] Ibid, p.16.
[313] A governmental plan was prepared to complement the previous, (NEP). It differed from the, (NEP), that this plan gave more priority for the role of private sector in the poverty reduction strategies.
[314]Snodgrass, Donald R., "Successful Economic Development in a Multi-ethnic Society: The Malaysian Case," No.503, Harvard Institute for International Development, Harvard University, p.20, (1995).
[315]Mun, Har Wai., "Malaysian Economic Development. Issues and Debates," p.15, (2007).

Table (7): JDP in Malaysia "between" (1960-2000).[316]

Period	(% P.A)
1960s	6
1970s	7.5
1980s	5.9
1991-1995	8.7
1996-1997	8.2
1998	-6.7
1999-2000	5

Table (8): Sectoral Composition of Exports.[317]

Sector	1990	1995	1998
Total exports: RM million	79,646.40	184,986.50	286,750.10
Sector of total exports %:			
Manufactured goods	56.8	77.4	81.2
Primary commodities	42.9	21.3	17.9
Agriculture	23.1	13.9	11.4
Mining	19.8	7.4	6.5
Others	0.3	1.2	0.9

The Asian storm that shocked the Asian economy did influence Malaysia in 1998, led to the growth rate of -6.7.[318] Coinciding with NDP, Mahathir Mohammed's vision 2020 also played a role, which aspired that Malaysia would be one of the most developed countries in the world with a dynamic, effective, resilient, and robust

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[316]Economic Planning Unit, Prime Minister's Department, Malaysia, by: Nyagetera, B. M., "Malaysian Economic Development: Some Lessons for Tanzania," *Tanzanian Economic Trends,* 15:1, p.12, (2002).
[317]Ibid.
[318]Nyagetera, Bartholomew M., "Malaysian Economic Development: Some Lessons for Tanzania," *Tanzanian Economic Trends,* 15:1, p.12, (2002).

economy.[319] One of the greatest ambitions to achieve the goal of the vision 2020 was to improve science and technology because of the Malaysian policy makers' belief that this power will be the leading in the future. This ambition was realistically translated by establishing Multimedia Super Corridor (MSC), in 1996, as a huge area near Kuala Lumpur to enhance the creation of giant technological companies to produce multimedia outputs and services. MSC was planned by the Malaysian government in the sake of providing one of the most creative and innovative areas in the world to be as a pioneer one in the sector of multimedia enabling the local community to get benefit from the transformative technology.[320]

4.3.5 The Role of Governmental Institutions

Through the Malaysian industrial development, there was a concrete contribution by many of the governmental institutions that played an effective role in the process of acceleration the industrial activities.[321] These institutions are:

1- Ministry of International Trade and Industry: this ministry was seeking for encouraging the foreign investment to work inside the Malaysian territories.[322]

2- Malaysian Industrial Development Authority: this authority was existed to present the required assistance for the foreign companies to ease their working in order to guarantee that their projects are well established and implemented.[323]

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[319] Ibid, p.7.
[320] Ibid, p.8.
[321] Mun, H. W., "Malaysian Economic Development. Issues and Debates," p.1-2, (2007), http://harwaimun.com/Malaysian_Economics_Development.pdf, (Accessed on April 22, 2013).
[322] Ibid.
[323] Ibid, p.3.

3- Malaysian External Trade Development Corporation, MATRADE: this corporation tried to regulate the Malaysian exports' transactions inside the global market.[324]

4- Small and Medium Industries Development Corporation: this corporation cared about giving support for the small industrial projects to enable them to continue in the field of manufacturing.[325]

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[324] Ibid, p.4.
[325] Ibid, p.7.

4.4 The Problem of Poverty and the Reduction Strategies

4.4.1 Background

The Malaysian community consists of the Malay, which was considered as the majority of population with 53 percent of Malaysians' population living with two important minorities: Chinese with 26 percent, Indians with 7.7 percent and 11 percent for the 'non-citizen workers'.[326] Although the Malay, Bumiputheras, had the majority in population and political dominance, the two minorities "Chinese and Indians" were controlling the bigger share of high income inside the Malaysian territories andhad the lion's share of wealth.[327] In 1969, the Malay felt that they live under unjust life level and called the Malaysian government to intervene to reform their living situation accusing the government by its standing with the Chinese and Indians' interests. These claims angered the Chinese minority, which complained that the government discriminated against them. These judgments' caused ethnic violence inside the Malaysian street on the day of May 13, 1969. This violence caused hundreds of victims and invited the government to adopt developmental plans in order to restructure the Malaysian society. [328]

In the course of the Malaysian experience, it was acknowledged that there were three developmental plans. The reduction of poverty was one of the most important aims of these plans and to overcome this problem, the government introduced New Economic Policy, NEP (from 1970 till 1990), New Development Policy, NDP, (1991 till 2000), Vision 2020, (2000, present).[329]

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[326] Abhayaratne, A., "Povert Reduction Strategies in Malaysia, 1970-2000: Some Lessons," University of Peradeniya, Sirilanka, p.3, (2004).
[327] Kinuthia, K. B., "Poverty Reduction in Malaysia," Africa Studies Centre, Leiden University, Netherlands, p.2, (2010).
[328] Roslen, H. A., "Income Inquality, Poverty and Development Policy in Malaysia," School of Economics, Universiti Utara Malaysia, p.11, (2001).
[329] Abhayaratne, A., "Povert Reduction Strategies in Malaysia, 1970-2000: Some Lessons," University of Peradeniya, Sirilanka, p.11, (2004).

4.4.2 New Economic Policy, (NEP)

The ethnic violence in 1969 was considered as one of the critical factors leading to the NEP.[330] This plan aspired to unify the Malaysian community by acknowledging the current problems of the Malay. Thus, it attempted to transform the country by restructuring the Malay community, and by setting two objectives that were aimed to reduce the rates of poverty inside the Malaysian society as a whole and to mitigate the aspect of inequality within the different ethnicities Malays, Chinese and Indians. This strategy provided new job opportunities and increased the levels of income..[331]

This new policy passed three important stages that can be summarized in three different parts. First, it targeted the workers of low-productive occupations and increased the factors of their productivity to increase the income, thus the income was efficiently expanded. Second, it granted the low-income workers many of free and supported social services to enhance the standards of their lives. Third, it encouraged the groups of law income to transfer from 'low-productivity' to work through 'high-productivity' ones in the sake of increasing their incomes and proficiency.[332]

4.4.3 New Development Policy, (NDP)

This new policy was not considered as a complete shift or it would not change the trajectory of NEP, but it played a complementary role with few modifications. The main goalrelated to the unification of the Malaysian society and its restructure remained in this plan.[333] To achieve the previous goal, this new plan relied to a big

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[330] UNRSID, "Country Study: Malaysia, Policy Regimes and the Political Economy of Poverty Reduction in Malaysia," UNRSID, Switzerland, Geneva, p.124, (2010).
[331] Roslen, H. A., "Income Inquality, Poverty and Development Policy in Malaysia," School of Economics, Universiti Utara Malaysia, p.11, (2001).
[332] Abhayaratne, A., "Povert Reduction Strategies in Malaysia, 1970-2000: Some Lessons," University of Peradeniya, Sirilanka, p.12-13, (2004).
[333] Prime Minister's Department, "Malaysia, 30 Years of Poverty Reduction, Growth, and Racial Harmony," Federal Government Planning Centre, Economic Planning Unit, Malaysia, Putrajaya, p.1, (2004).

extent on the role of private sector giving it a considerable priority more than the public one. Through this plan, there were a concrete focus on the 'hardcore poor'[334] by increasing the programs that targeting their needs and the categories which get benefit of these programs were mothers, children, households, and 'senior-citizens'[335]

4.4.4 The Vision 2020

In other words, the so-called the Mahathir's vision 2020, aimed to reach to the level of developed countries and to be able to compete with.[336] This plan targeted to achieve an annual growth rate by 7 percent by modernizing and diversifying the industrial products, developing the Malaysian human resources to reach to therequired skills, and connecting the previous development with the agricultural one to balance between all kinds of development.[337]

4.4.5   Selected Strategies to Reduce Poverty in Malaysia

4.4.5.1 Measuring the Different Levels of Poverty

The Malaysian government was trying to find a consensus definition of poverty and set a common principle that would be able to measure the degree of it. This work outputted three types of poverty inside the Malaysian community:[338]

a- Absolute Poverty

This type of poverty can be defined as the degree of ability by the households to provide the basic needs for their families in a month. These needs are represented in

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[334] One of the governmental classifications for the local poverty levels which considered as less than half of Poverty Line Income, PLI.

[335] Abhayaratne, A., "Povert Reduction Strategies in Malaysia, 1970-2000: Some Lessons," University of Peradeniya, Sirilanka, p.9-13, (2004).

[336] UNRSID, "Country Study: Malaysia, Policy Regimes and the Political Economy of Poverty Reduction in Malaysia," UNRSID, Switzerland, Geneva, p.7, (2010).

[337] Abhayaratne, A., "Povert Reduction Strategies in Malaysia, 1970-2000: Some Lessons," University of Peradeniya, Sirilanka, p.10-11, (2004).

[338] Prime Minister's Department, "Malaysia, 30 Years of Poverty Reduction, Growth, and Racial Harmony," Federal Government Planning Centre, Economic Planning Unit, Malaysia, Putrajaya, p.18, (2004).

a minimum 'basket of food', rent, clothing, health care, transportation, and education. These conditions were consistent with Poverty Line Income, PLI. Therefore, what mentioned above is considered as PLI level.[339]

b- Absolute Hardcore Poverty

This category belongs to the arrange of population whose income is less than half of PLI and that had been recognized in 1988 to increase the percentages of aid; hence, aimed to enhance the situation of this category.340

c- Relative Poverty

The categorization in this part did not depend on individuals, but it targeted groups. For example, they may put the inhabitants of rural areas as relative poor comparing with urban ones; although, their income is higher than PLI.[341]

4.4.5.2 Forward a Perceived Increase in Diversity and Productivity

This strategy depended to a big extent on generalizing and incorporating the innovative programs inside the Malaysian community to develop and modernize the 'traditional methods' were used in agriculture to be consistent with the international ones in the sake of increasing the farmers' production.[342]

These steps sorted in six procedures:

1- Providing suitable lands for landless with its agricultural supplies, especially for which related to rubber farming with close housing and required electric and water supplies.

2- Incorporating many developmental strategies and techniques for the pre-existing farms for increasing the quality, quantity, and revenues of the corps to benefit farmers and encourage cooperation.

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[339]Ibid.
[340] Ibid.
[341] Ibid.
[342] Ibid, p.19

3- Encouraging the agricultural industry to be as an additional source for farmers to increase their incomes through the operation of processing the downstream of farm products.

4- Instituting a new direct way for farmers to sell their products by creating markets in urban centers instead of depending on middlemen.

5- Increasing the number of awareness' projects targeting the different aspects of the farmers' life with effective methods of better and more productive farming.

6- Providing kinds of credit facilities to the participants of the training projects to encourage them to work on their own business and encouraging small projects in the both rural and urban fields.[343]

4.4.5.3 Hardcore Poverty Reduction

With its seeking to reduce the different types of poverty, Malaysian government established the Program for the Eradication of Hardcore Poor *(Program Pembasmian Rakyat Termiskin)* PPRT.[344] This project was established in 1988 with a trial to increase the help and support for this category, which included providing better housing and needed food for them. In addition, in 1992 there was a new campaign targeted the Bumiputera, the major ethnic group, represented in granting interest-free loans to increase their incomes.[345]

4.4.5.4 The Role of NGOs and Private Sector

It is considered that both non-governmental organizations (NGOs) and the private sector played a large role in reducing the poverty rate fromthe Malaysian community.

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[343]Ibid.
[344] UNRSID, "Country Study: Malaysia, Policy Regimes and the Political Economy of Poverty Reduction in Malaysia," UNRSID, Switzerland, Geneva, p.124, (2010).
[345] Prime Minister's Department, "Malaysia, 30 Years of Poverty Reduction, Growth, and Racial Harmony," Federal Government Planning Centre, Economic Planning Unit, Malaysia, Putrajaya, p.20, (2004).

This role can be noticed by their presenting of many free-interest loans for the core and hardcore poor, supporting their children in their educational needs, enforcing the programs which encourage the industrial training, and enhancing the job opportunities. This role was seen as a complementary for the governmental one.[346] A clear example of the concrete work of NGOs was the program of AmanahIkhtiyar Malaysia. This program intended to reduce poverty rates and more than 90 percent of the beneficiaries were females.[347] It should be noted that the participation of the private sector in the poverty reduction plans was attributed to the aspect of privatization that had an effective role in encouraging the internal investment. Thereby, it was the sole alternative in front of the governmental budget deficit between the years of 1981 and 1982.[348]

4.4.5.5 Malaysian Poor and Enhancing their Life Quality

Coinciding with its efforts to increase the projects of 'income-generating', Malaysian government worked in providing the amenities to enhance the social and infrastructural situations inside the Malaysian community. In sum, these procedures were part of a big program to improve the quality of their life.[349]

4.4.5.6 Welfare Assistance

This project targeted the categories of old and disabled inside the Malaysian community. Hence the support was funded by the government as monthly payments and there was another form of continuous support from the Muslim community in the form of Zakat.[350]

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[346] Ibid.
[347] UNRSID, "Country Study: Malaysia, Policy Regimes and the Political Economy of Poverty Reduction in Malaysia," UNRSID, Switzerland, Geneva, p.124, (2010).
[348] Ibid, p.125.
[349] Prime Minister's Department, "Malaysia, 30 Years of Poverty Reduction, Growth, and Racial Harmony," Federal Government Planning Centre, Economic Planning Unit, Malaysia, Putrajaya, p.20, (2004).
[350] Ibid.

4.4.5.7 Protecting and Keeping the Stable Prices

This strategy was seen as the government has the biggest right and role in intervening in the suitable times to correct the prices of goods and products for the Malaysian consumers. This intervention occurs in two ways: fixing these prices or presenting subsides to mitigate their pricesand preventing the autarkic polices by the traders through providing the required commodities, which needed in the market to keep the prices stable.[351]

4.4.5.8 Exempting Poor from the Chargeable Income Rates

There was a continuous and perceived reviewing for the chargeable income rates in Malaysia due to the governmental seeking to ease the living standards of the poor. The figures improved gradually, which it was 6 percent in 1970 aimed to reach 5 percent in 1990 and 0 percent in 2000. That said, the chargeable income rate targeted those that had annual income in the range of 2500 Malaysian ringgit.[352]

4.4.6 The Outputs of the Poverty Reduction Strategies

Malaysian success was noticed by the US administration in 2010. Hilary Clinton, the former Secretary of State stated before Malaysian conference that "what you have done is exactly what we hope for in the broader region. You are creating new jobs and raising incomes and uplifting people out of poverty, people who are finally having the chance to fulfill their dreams".[353] The successes that had been achieved were higher than the Malaysian policy makers' expectations. The overall poverty decreased from 52.4 percent in 1970 to be 5.1 percent in 2002.[354] The second major goal which was correcting the ethnic wealth imbalances to a big extent was

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[351] Ibid, p.21.
[352] Ibid.
[353] Thang, C. N. H., Baharuddin, H. A., "Poverty Reduction: A Continuous Social Responsibility in Malaysia," University Sains Malaysia, p.2, (2011).
[354354]Nyagetera, Bartholomew M., "Malaysian Economic Development: Some Lessons for Tanzania," *Tanzanian Economic Trends,* 15:1, p.3, (2002).

successful; although, the gap of poverty percentages among Malays, Chinese, and Indians still high. Percentage of poverty for Malays transformed from 65.9 percent in 1970 to 7.3 in 2002 and for Chinese and Indians from 27.5 and 40.2 respectively in 1970 to be 1.5 and 1.9 in 2002.[355]See table: 8.

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[355] Abhayaratne, A., "Poverty Reduction Strategies in Malaysia, 1970-2000: Some Lessons," University of Peradeniya, Sirilanka, p.14-25, (2004).

Table (9): The percentages of poverty in Malaysia between 1970 and 2002 indicates the percentages between the overall, rural, and urban areas, percentage of poverty among ethnic groups, and hardcore percentages.[356]

Year	1970	1976	1980	1984	1987	1990	1993	1995	1997	1999	2000	2002
Incidence of poverty(%)												
Overall	52.4 (791.8)	42.4 (764.4))	29.0	20.7 (649.4)	17.3	16.5 (619.4)	13.5 (517.2)	8.7 (418.3)	6.8 (332.4)	8.1 (360.1)	5.5 (276.0)	5.1 (269.7)
Rural	58.7 (705.9)	50.9 (669.6)	37.4	27.3 (556.4)	22.4	21.8 (530.3)	18.6	15.3 (319.0)	11.8 (267.5)	12.4 (257.4)	10.0	11.4 (198.3)
Urban	21.3 (85.9)	18.7 (94.9)	12.6	8.5 (93.0)	8.1	7.5 (89.1)	5.3	3.7 (99.3)	2.4 (64.9)	3.4 (102.7)	1.9	2.0 (69.6)
Malay	65.9	56.4	NA	25.8	23.8	20.8	NA	NA	NA	10.2	NA	7.3
Chinese	27.5	19.2	NA	7.8	7.1	5.7	NA	NA	NA	2.6	NA	1.5
Indians	40.2	28.5	NA	10.1	9.7	8.0	NA	NA	NA	1.9	NA	1.9
Incidence of hardcore poverty (%)												
Overall	NA	NA	NA	6.9 (216.1)		4.0 (143.1)	NA	2.1 (88.8)	1.4 (67.5)	1.4 (66.1)	0.5	1.0 (52.9)
Rural	NA	NA	NA	9.3 (189.9)		5.2 (126.8)	NA	3.6 (76.5)	2.5 (55.3)	2.4 (52.1)	1.0	2.3 (40.3)
Urban	NA	NA	NA	2.4 (26.2)		1.4 (16.3)	NA	0.9 (12.3)	0.4 (12.2)	0.5 (13.9)	0.1	0.4 (12.6)

4.5 Conclusion

After discussing the required four aspects in the Turkish experience, the researcher did the same with the Malaysian one. This chapter started to talk about the dynamics behind the political stability in Malaysia which were revealed in different roles; the role of education; the role of the coalition government; the role of the state's initiatives such 'One Malaysia Initiative;' and the governmental preference' policies.

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[356]Ministry of Finance Malaysia, by: Abhayaratne, A., "Poverty Reduction Strategies in Malaysia, 1970-2000: Some Lessons," University of Peradeniya, Sirilanka, p.23, (2004).

Then, there was studying for the extent of the principle of democracy in Malaysia which as many scholars argued that it is not admirable; particularity after the detention of Anwar Ibrahim and introducing the law of Internal Security Act. Next, it talked about the Malaysian attempt to connect between the principles of capitalism and Islam which appeared in the governmental connection for many of the laws of Islamic Shari'a and the principles of capitalism and the noticed presence of the Islamic banking system within the Malaysian territories. After that there was studying for the long Malaysian economic experience which has started since 1970s. Thus, the implications of the economic development materialized after thirty years of adopting New Economic Policy, (NEP). Malaysia reached to such growth rate after pursuing economic policies according to the international, regional, and local status. These policies were numerous such as import-substitution, export-oriented policies, protective and liberal strategies, open and selective systems, and Laissez-Faire and intervention policies. Finally, this section dealt with the different strategies adopted by the Malaysian government to alleviate the problem of poverty and unemployment; hence these strategies had proved its efficiency and the high percentages of poverty which was 52 percent in 1970 became less than 5 percent in 2000.

Chapter 5

CONCLUSION

The comparison between the Turkish and the Malaysian experiences was necessary due to the urgent challenges facing Egypt after the uprising and during this transitional stage. After reviewing many of the Egyptian daily articles written by different scholars, policy makers, and columnists, I find out that the urgent challenges for Egypt in this critical stage of the Egyptian history are political and ethnic instability, the challenge of political Islam movements, the deteriorating economic situation, and the high rates of poverty which increased dramatically after the revolution. There were many points of view that Egypt has to get benefit from one of the developmental experiences. Turkey and Malaysia were the most feasible models that were proposed.

This thesis asked the same question that has been raised by many of the Egyptian politicians in respect to the way Egypt could benefit from the models of Turkey and Malaysia and the solutions of these experiences with regards to the urgent challenges. Therefore, the main question is whether the solutions presented by the both experiences could inspire the Egyptians in any desired development.

In my research I studied many of the official and academic works related to the similar circumstances between these two experiences and the four challenges.

Therefore, this thesis studied and compared the four aspects in each experience and found that each experience had passed in the same challenges at the beginning or through their developmental plans. In each experience also there are distinctive characteristics which made the politicians of these states adopt suitable polices for their own circumstances. For instance, the reader will find that the single-party government in Turkey is a factor behind the political stability, but in the case of Malaysia, the only alternative in that multi-ethnic society was the coalition government because that coalition includes parties from all ethnicities. Moreover, there were strengths in one experience at the expense of the other. For example, there were explicit governmental strategies to deal with the problem of poverty in the Malaysian model whereas the Turkish government to a large extent put this responsibility on the shoulders of charity foundations.

This thesis came to the conclusion that Egypt could be inspired by the different aspects of each experience, thus I have not seen that there is one model closer to the Egyptian case than the other. I can conclude that the Egyptian Islamic and liberal parties can benefit from the two experiences together by taking the successful parts of each model and avoiding the aspects that do not suit with the Egyptian case or do not present persuasive solutions for the four challenges mentioned above. Thus, I find that Egypt may benefit from the both experiences in different ways.

I have noticed that one of the most important factors behind the political instability in Egypt was the absence of the political consensus among the different political parties. This lack of consensus is due the continuing mentality of 'one party' to rule Egypt. The former President Morsi won the presidential elections in 2012, and issued many constitutional declarations thatwere considered as authoritarian ones, despite

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the fact that the Egyptian uprising was triggered firstly to achieve the hope of democracy. For the challenge of political instability in Egypt, I conclude that the Malaysian model and the coalition government which included the different parties and different ethnicities, is better for Egypt than the Turkish one. Thus, Egyptian masses did not accept the continuity of the rule for one single party and they protested against the administration on June 30, 2013. The Egyptians differ from the Turkish people who have lived for decades in a modern country.

For the aspect of political instability also, I found out that the Malaysian model is successful withregards to how they cope with ethnic tensions and sustain national unity. The renewed educational curriculums and the ongoing state's initiatives were admirable. This can be a lesson for the different Egyptian political parties to benefit from this experience and to incorporate well-designed educational curriculums that are able to contribute to the improvement of the students' culture of citizenship and tolerance. These curriculums are to be prepared in the sake of prioritizing the first interest of Egypt instead of the narrow ethnic interests. The coming Egyptian government has to issue many initiatives to start the process of social and ethnic reconciliation. These initiatives are to be done between Muslims and the Copt in the places that witnessed ethnic tensions in the past, and to be aware by their causes to avoid them in the future.

For the political instability caused by the civil-military relations and after studying the Turkish model, I believe that the former President Morsi was reckless to clash with the military after one month of his assuming power. I believe that He forgot that the Egyptian military has had the upper hand in the Egyptian politics since the revolution against the monarchal regime in 1950s.Morsi failed to put in his

consideration after firing the military commanders that he was dealing with a foundation not individuals. His quick decisions and the continuous mistakes led to a coup against him after one year of his rule and this coup was on the ground of conserving the national unity. The Turkish model could benefit Egypt that any elected civil government in the future should avoid any clash with the military, particularly in the first term of rule. The AKP in Turkey avoided clashes with the military in the first term of government. Rabasa and Larrabee, (2008) argued that the overwhelming victory of the AKP in the elections of 2007 would make the military commanders cautious about any intervention in the daily politics.[357] The AKP won the first election in Turkey in 2002, and the clear supremacy of the civil sector on the military became sensible in 2011. This happened after the party's consolidation of public legitimacy in three parliamentary elections respectively. Thereby, it is my conclusion that acquiring the public legitimacy after long time of ruling and in different electoral maturities could mitigate the grip of the military in Egypt.

The Egyptians triggered their uprising to achieve an absent democratic aspect thathad existed for more than thirty years during Mubarak's authoritarian regime. The democratic transition in Egypt took more than one year and the civil state under Morsi's regime has ended in a bad scene. There is thirst for democracy inside the Egyptian community. Another conclusion I came to after comparing the two models is that the democratic aspect in Malaysia and Turkey is not to a large extent admirable. In Malaysia there have been many violations of human rights and the democratic principles. The accusation of the opposition leader, Anwar Ibrahim, by the Malaysian developmental pioneer Mahathir Mohammed is a clear example that

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[357]Rabasa, A., &Larrabee, F. S., "The rise of political Islam in Turkey," Rand Corporation, (Vol. 726), p.72-73, (2008), http://www.rand.org/content/dam/rand/pubs/monographs/2008/RAND_MG726.pdf, (Accessed on May 15, 2013).

democracy in this country has not been matured yet and cannot be a model for other countries. In Turkey there were many radical reforms by the AKP government in order to enhance the democratic aspect in Turkey and to transform it to a full civil state. The Turkish model in democracy may be closer to the Egyptian case, especially after a historical clash between the civil and military aspects in Turkey. I can argue that the excessive use of force by the Turkish police in Gezi park protests did shake the image of Turkey in the Arab world, but that does not mean that Arabs do not see it as an admirable model.

The AKP government has succeeded in increasing the percentage of voting in the second and third terms of elections by gaining more public support from the liberal and Kurdish sectors. The AKP government pursued to use a tolerant speech with the different ethnicities in the country, particularly the Kurds and convinced their historical leader Ocalan to end the long conflict. Moreover, the party nominated many liberal candidates to gain new voters by persuading them that, to a large extent, it tried to separate itself from the previous Islamic identity. The AKP did not use an explicit Islamic rhetoric such as Shari'a in order not to provoke the secular military. However, the AKP did not ignore the aspirations of the Islamist votersby connecting the Islamic principles with the Turkish need to fight against corruption and nepotism justifying that these principles are the essence of Islam.Rabasa and Larrabee, (2008) stated that "The AKP was able to exploit public discontent with revelations of

corruption in the mainstream secular parties and to portray itself as the party of "clean government."[358]

 This lets me conclude that the political Islam movements in Egypt should put in consideration the large proportion of the Copt. In order to do this, they have to use a conciliatory tone and to nominate number of the Copt on their electoral lists. In addition, these movements have to focus on the urgent Egyptian needs like poverty and unemployment and not to use provocative rhetoric with the broadbased liberal sector inside the Egyptian society.

Additionally, the different Malaysian governments since 1970s have understood the aspirations of the Malaysian Muslim majority. Hence, the Malaysian governments tried to make a synthesis between the Islamic principles and neo-liberal requirements. Specifically, the government revealed its flexibility when dealing with the aspects of taxation and the Islamic banking system. This flexibility appeared when the policy makers connected between Shari'a laws such as Zakat and the governmental need for taxes by fixing the rate of taxation with the Islamic value. This flexibility could be a model for the liberal and Islamic movements in Egypt. Any government has to put in consideration the public's needs andthe Egyptian different parties have to interact flexibly with the Shari'a laws to satisfy a large segment of population and not to provoke the others as well. As indicated before, in Malaysia more than 45 percent of population are not Muslims.

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[358]Rabasa, A., &Larrabee, F. S., "The rise of political Islam in Turkey," Rand Corporation, (Vol. 726), p.42, (2008), http://www.rand.org/content/dam/rand/pubs/monographs/2008/RAND_MG726.pdf, (Accessed on May 15, 2013).

With relation to the economic achievements of the Turkish government, it was seen after five years of the AKP government. This can be attributed to the party's search for rapid solutions for the economic troubles like privatization and the foreign direct investment. Thus, these policies were the most important factors behind the progress occurred in the Turkish economy, which fostered the high rates of the economic growth. I found out that Turkey can be a short-term economic model for the Egyptian liberal and Islamic parties by benefitting from the Turkish successful interaction with the IMF, particularly when related to the IMF-Turkish negotiations on the IMF's loan and the government's provision of a suitable environment for the foreign direct investment. The Egyptian liberal and Islamic parties have to think about the process of partial privatization in the giant enterprises in order to maximize the budget of the state. Furthermore, they have to care about the needed political stability by speeding up the next transitional stage in order to encourage the two important sectors of tourism and foreign direct investment.

But as for Malaysia, the implications of the economic development materialized after thirty years of adopting New Economic Policy, (NEP). Malaysia reached a high growth rate after pursuing economic policies according to the international, regional, and local status. These policies were numerous such as import-substitution, export-oriented policies, protective and liberal strategies, open and selective systems, and Laissez-Faire and intervention policies. Malaysia improved its economy by producing heavy and complex industries, and is planning to be one of the most developed countries all over the world by applying the Vision 2020. Egypt could be inspired by the long-term Malaysian developmental plan. Thus, Egyptian Islamic and liberal parties could benefit from this long Malaysian experience, especially when related to the effective economic strategies that suit the current Egyptian case.

After comparing the two experiences when related to the problem of poverty, I came to the conclusion that there are no explicit and persuasive strategies presented by the AKP to reduce the problem of poverty in Turkey and the percentages of poor people are still high.The AKP government put the responsibility on the shoulders of charity foundations and microcredit programs. Charity foundations in Turkey could help the Turkish underprivileged, but this kind of support does not improve the living standards for the poor ultimately .This support is fruitful but for a short time. The microcredit programs in Turkey were very limited compared to the high rates of poverty. In addition, they were not sponsored by the state and there were a high interest rate for these credits.

But as for Malaysia, I discovered that there were clear strategies adopted and sponsored by the state in the sake of reducing the high rates of poverty. I observed that Malaysia achieved a great success in these strategies, thus the percentage of poverty decreased dramatically from 52 percent in 1970 to 5 percent in 2002. The Malaysian model in the aspect of alleviating poverty is better than the Turkish one due to the presence of effective and applicable methods to interact with this urgent problem. The different Egyptian parties should highlight the role of non-governmental organizations, (NGOs), and the private sector as the Malaysians did. This role should coincidewith the governmental one, by distributing the different roles and acting responsibly.

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