

AKP's Neo-Ottomanism: A Constitutive Component of Neoliberal Hegemony in Turkey?

İlke Gürdal

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Approval of the Institute of Graduate Studies and Research

Prof. Dr. Ali Hakan Ulusoy
Director

I certify that this thesis satisfies all the requirements as a thesis for the degree of Doctor of Philosophy in International Relations.

Prof. Dr. Ahmet Sözen
Chair, Department of Political Science
and International Relations

We certify that we have read this thesis and that in our opinion it is fully adequate in scope and quality as a thesis for the degree of Doctor of Philosophy in International Relations.

Assoc. Prof. Dr. Umut Bozkurt
Supervisor

Examining Committee

1. Prof. Dr. Evren Balta

2. Prof. Dr. Simten Coşar

3. Prof. Dr. Erol Kaymak

4. Assoc. Prof. Dr. Umut Bozkurt

5. Asst. Prof. Dr. Aylin Gürzel

ABSTRACT

Since 2002, Adalet ve Kalkınma Partisi (AKP) has enjoyed an uninterrupted rule in Turkey. Over the years, it has increased its dominance over society by implementing its agenda and winning every parliamentary election. The party abandoned the traditional conduct of foreign policy in Turkey shaped by Kemalism, setting on course for a new foreign policy orientation. The key research question is: “How does AKP’s foreign policy contribute to the consolidation of neoliberal hegemony in Turkey? This thesis has employed the ‘Hegemony’ concept developed by the Italian philosopher Antonio Gramsci as a useful theoretical lens to understand the foreign policy tools used by the AKP concerning Neo-Ottomanism and the constitution and preservation of its domestic hegemony. This thesis focuses on the relationship between foreign policy and domestic policy and the effects of AKP’s foreign policy on the neoliberal hegemony in Turkey. It has focused on how AKP’s Neo-Ottomanism and the use of Sunni values in the Middle East have provided consent for the neoliberal hegemony. It has also argued that AKP’s Neo-Ottomanist foreign policy has contributed to the capital accumulation process and has provided the bourgeoisie with economic gains, serving the neoliberal hegemony of the bourgeoisie in Turkey.

Keywords: Foreign policy, AKP, Neoliberalism, Neo-Ottomanism

ÖZ

Adalet ve Kalkınma Partisi (AKP) Türkiye'de 2002 yılından bu yana tek başına iktidardır. Katıldığı her seçimden birinci parti çıkmasının getirdiği avantaj ile yıllardır arzu ettiği tüm politikaları uygulama şansını yakalamış, parlamentodaki gücü sayesinde toplumda egemen bir konuma gelmiştir. Parti, daha önce Türkiyede Kemalist anlayışla şekillenmiş geleneksel dış politika anlayışını terk ederek 'Yeni-Osmanlıcı' bir dış politika yönelimi gösterdi. Temel araştırma sorumu şu: "AKP'nin dış politikası Türkiye'de neoliberal hegemonyanın güçlenmesine nasıl katkıda bulunuyor? Bu tez, İtalyan filozof Antonio Gramsci tarafından geliştirilen 'Hegemonya' kavramını, AKP'nin Neo-Osmanlıcılık ve onun yerel hegemonyasının kuruluşu ve korunması konusunda kullandığı dış politika araçlarını anlamak için yararlı bir teorik mercekle olarak kullanmıştır. Bu tez, dış politika ile iç politika arasındaki ilişkiye ve AKP'nin dış politikasının Türkiye'deki neoliberal hegemonya üzerindeki etkilerine odaklanmaktadır. AKP'nin Neo-Osmanlıcılığının ve Ortadoğu'da Sünni değerlerin kullanımının neoliberal hegemonyaya nasıl hizmet ettiğine odaklanılmıştır. AKP'nin Yeni-Osmanlıcı dış politikasının sermaye birikim sürecine katkı sağladığı ve burjuvaziye ekonomik kazanımlar sağladığı, Türkiye'de burjuvazinin neoliberal hegemonyasına hizmet ettiği de bu tezde tartışılmıştır.

Anahtar Kelimeler: AKP, Dış politika, Neoliberalizm, Yeni-Osmanlıcılık

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TABLE OF CONTENTS

ABSTRACT.....	iii
ÖZ.....	iv
ACKNOWLEDGMENT.....	v
LIST OF TABLES.....	ix
LIST OF FIGURES.....	x
LIST OF ABBREVIATIONS.....	xi
1 INTRODUCTION.....	1
2 THEORETICAL FRAMEWORK.....	10
2.1 Introduction.....	10
2.2 Gramsci’s Concept of Civil Society.....	12
2.3 Hegemony.....	14
2.4 Base and Superstructure.....	16
2.5 Counter Hegemony.....	18
2.6 War of Position vs War of Manoeuvre.....	20
2.7 AKP’s Neoliberal Populism.....	22
2.8 Methodology.....	25
2.9 Conclusion.....	28
3 THE BIRTH OF POLITICAL ISLAM IN TURKEY.....	30
3.1 Introduction.....	30
3.2 National View Movement.....	30
3.3 The 1980 Coup.....	32
3.4 Adoption of the Turkish-Islamic Synthesis.....	33
3.5 Emergence of Islamic Capital.....	35

3.6 Welfare Party.....	40
3.7 Conclusion.....	47
4 THE DOMESTIC SOURCES OF NEOLIBERAL HEGEMONY UNDER THE AKP.....	50
4.1 Introduction.....	50
4.2 Economic Growth and Urban Transformation.....	52
4.3 Social Assistance Schemes.....	61
4.4 Symbolic and Ideological Sources of Neoliberal Hegemony.....	65
4.5 Conclusion.....	70
5 AKP'S FOREIGN POLICY 2002-2018.....	73
5.1 Introduction.....	73
5.2 Foreign Policy Strategies and Debates.....	74
5.3 Strategic Depth Doctrine.....	81
5.4 Implications of the Strategic Depth Doctrine.....	84
5.4.1 Relations with Egypt.....	93
5.4.2 Relations with Syria.....	94
5.4.3 Relations with Libya.....	96
5.4.4 Relations with Iraq.....	97
5.4.5 Relations with Iran.....	98
5.5 Conclusion.....	99
6 THE IMPACT OF AKP'S FOREIGN POLICY ON THE CAPITAL ACCUMULATION PROCESS IN TURKEY.....	102
6.1 Introduction.....	102
6.2 Capital Organizations in Turkey: Pre-AKP Period.....	103
6.3 Capital Accumulation during the AKP Era.....	106

6.4 Role of Foreign Policy for Trade and New Phase of Capital Accumulation.....	113
6.5 Foreign Direct Investment (FDI) Flows in Turkey 2002-2018.....	120
6.6 Conclusion.....	127
7 ANALYSIS.....	130
8 CONCLUSION.....	136
REFERENCES.....	144

LIST OF TABLES

Table 1: Bilateral trade of Turkey.....	115
Table 2: Turkey’s increased trade with the Middle East.....	123
Table 3: Top exports of Turkey.....	124
Table 4: Most exporting firms in Turkey.....	125

LIST OF FIGURES

Figure 1: Distribution of AKP voters according to class.....	51
Figure 2: FDI net inflows to Turkey over the years.....	121
Figure 3: FDI to Turkey between 2002 and 2018 in terms of origin.....	121
Figure 4: FDI to Turkey between 2002 and 2018 in terms of sectors.....	122
Figure 5: Turkey's total trade with the Middle East.....	123
Figure 6: Turkey's total exports to the Middle East and North Africa.....	142

LIST OF ABBREVIATIONS

AKP	Adalet ve Kalkınma Partisi (Justice and Development Party)
AP	Anavatan Partisi (Motherland Party)
CHP	Cumhuriyet Halk Partisi (Republican People Party)
DYP	Doğru Yol Partisi (True Path Party)
EU	European Union
MUSİAD	Müstakil Sanayici ve İşadamları Derneği (Independent Industrialists and Businessmen Association)
MNP	Milli Nizam Partisi (National Order Party)
MSP	Milli Selamet Partisi (National Salvation Party)
RP	Refah Partisi (Welfare Party)
TİS	Turkish-Islamic Synthesis (Türk-Islam Sentezi)
TUSİAD	Türk Sanayicileri ve İş İnsanları Derneği (Turkish Industry and Business Association)

Chapter 1

INTRODUCTION

Turkish politics has been the subject of a rapid transformation since the start of the AKP rule in 2002, leading to the development of rich literature on the party's ideological orientation and foreign policy (Altunışık and Martin,2011; 569). AKP's foreign policy, which is commonly referred to as 'Neo-Ottomanism', is argued to represent a breakaway from the traditional foreign policy of Turkey shaped by Kemalism (Saraçoğlu and Demirkol, 2015; 301-302). In transforming world politics, the outcome of these policies is significant, especially for the region.

Following the turbulent 60s and 70s characterised by intensifying class struggle that ended with a coup d'état in 1980, the bourgeoisie looked for a strategy to overcome the hegemonic crisis it experienced. This strategy aimed to prevent the working class from organising itself based on class identity and instead associating itself with other identities primarily based on religion and ethnicity (Ercan and Oğuz, 2015). However, since the dominant class did not have a strong hegemony over the society, it had to rule under various coalitions of the ruling classes. The aftermath of the coup d'état in 1980 can be defined as a simultaneous process of political authoritarianism and economic liberalism. Although the bourgeoisie sought to establish its hegemony in the course of the 1990s by making use of the ideological state apparatuses, the real turning point came in 2002 as the AKP became the ruling party. Various research and

opinion polls show that the party gained the support not only of the organised but also of the marginalised sections of the working class (Öniş, 2003).

Therefore, AKP's electoral success can be attributed to the party's ability to appeal beyond the traditional support base of its predecessors to a more significant segment of society. The electoral support base of such parties often comprised the small-scale commercial and industrial bourgeoisie (Toprak, 2005, 180). The AKP, in contrast, represented the —second generation bourgeoisie that flourished under conditions of globalisation. Compared to the —first generation bourgeoisie or —Istanbul bourgeoisie represented by the Turkish Industrialists' and Businessmen's Association (TÜSİAD), whose capital accumulation process started in the 1960s and 1970s, the Islamic bourgeoisie emerged from 1980 onwards for capital accumulation and became the main support base of the AKP (Bozkurt,2013; 380).

The second-generation bourgeoisie has grown in size and is not limited to only small and medium-scale employers today (Bozkurt, 2013). The export-oriented economy of the 1990s has helped Islamic capital grow in size. Some holding companies founded in this period have reached the size and economic power of the first-generation bourgeoisie (Gülalp 2001, 444). However, the free market proved helpful for the second generation-bourgeoisie, so the economic policies of the Welfare Party (RP), which promised social justice, redistribution and decisive state intervention, were not welcomed by this group (Gümüşcü and Sert 2010, 963).

AKP's split from its predecessor Welfare Party was made possible by the advance of the second-generation bourgeoisie. The neoliberal policies of the AKP are a direct response to the expectations of the second generation bourgeoisie, who were on the

path to becoming an important economic actor in Turkey (Bozkurt, 2013). The AKP came to power to represent the interest of both first-generation and second-generation bourgeoisie. Upon its foundation, the AKP did not define itself as an Islamist party and claimed to have broken its ties with previous political Islamist parties. Unlike the previous Islamist parties, the party's policies align with neoliberal capitalism. As a result, this thesis argues that the mission of the AKP is to advance the neoliberal hegemony of both bourgeoisie groups over the working class.

This thesis's understanding that the 'Hegemony' concept developed by the Italian philosopher Antonio Gramsci is a useful theoretical lens for understanding the foreign policy tools used by the AKP concerning Neo-Ottomanism and the constitution and preservation of its neoliberal hegemony. "Hegemony" is understood as defined by Antonio Gramsci's (1971) conceptualisation: 'the organisation of power in society and state through the constitution and naturalisation of an everyday routine. The concept of hegemony captures how power is constituted in both state and society (Tugal, 2009). Gramsci depicts hegemony as the 'spontaneous consent given by the great masses of the population to the general direction imposed on social life by the dominant fundamental group'. Consent is described as being 'historically caused' by the prestige gained by the dominant group because of its position and function in the world of production (Gramsci, 1971; 84).

According to Gramsci, "A social group becomes dominant when it exercises power" (1971, 57-58) but adds, "But even it holds (power) firmly in its grasp, it must continue to lead well". Therefore, this social group's job is not simply to hold on to the power but to exercise hegemony in civil society to remain dominant. Gramsci argues that the bourgeoisie developed a hegemonic culture that spread around its values and norms,

making it all the ‘common sense’ values (Gramsci, 1999; 625). Gramsci argues that through the political party, the foundations of an economic and social group advance their historical development and transform into actors on a broader scale nationally and internationally (Gramsci, 1971; 16). Therefore, social classes that fail to go beyond an economic organisation cannot attain hegemony. Instead, AKP represents the political party in the Turkish case to represent the interests of the neoliberal hegemony.

Although hegemony is constantly associated with consent and in a contrasting position to force and coercion, it can also incorporate force. For example, Gramsci argues that a particular ‘conception of the Law’ in the state by the dominant class becomes a fundamental mission in conquering hegemony. The general concept of law is essential since it “is the repressive and negative aspect of the State’s entirely positive, civilising activity” (Gramsci, 1971, 247). The dominant class must prevent any conception of the law from arising, which might harm its organisation of collective life and personal relations. The process is experienced differently in every country, but the concern is alike. The concern is for the ruling class hegemony, which might be because of a failure in some critical political mission that it has undertaken, the consent of the masses or because large groups in society have suddenly become politically active after a period of political passivism and an uprising takes place (Gramsci, 1971; 210).

This thesis will answer the question: “How does AKP’s foreign policy contribute to the consolidation of neoliberal hegemony in Turkey? Its principal contribution will be to the party’s using foreign policy to serve the hegemony of the bourgeoisie in Turkey. Regardless of its impact on Turkey’s regional leadership ambitions, AKP’s

instrumentalising Sunni Islamic values in its interactions with other countries in the Middle East creates a political impact on the party's primarily Sunni constituency (Saraçoğlu and Demirkol, 2015).

This thesis's understanding is that this shift in the foreign policy of the AKP is a constitutive factor in creating a hegemonic project in Turkey. The key argument of this thesis is that the AKP has successfully established the hegemony of the bourgeoisie for the first time in the history of the Turkish Republic (Yalman 2014, 46). Judging from the literature, there is a need to understand better the existing neoliberal hegemony in Turkey regarding its foreign policy. This thesis will contribute to the literature by examining foreign policy and domestic politics together, a focus that has been missing in the literature, and by outlining how the policies followed in foreign policy link to domestic politics and, therefore, to the functioning of the neoliberal hegemony.

AKP's proactive foreign policy, as discussed in chapter 5, has meant an increase in the 'soft power' policies of Turkey, especially on a regional level. AKP's proactive role, especially in the Middle East, was based on the belief that its economy, security, and identity shall be intertwined for Turkey to become economically modern. Despite following neo-liberal policies, the AKP has gathered the support of wide-ranging groups such as the organised and non-organised sections of the working class in Turkey (Oniş, 2003; 98). The party has successfully established and maintained this hegemony by taking a conservative stance on social issues and implementing neo-liberal policies (Atasoy, 2009). Therefore, domestically, AKP's policies are directed toward socially conservative and economically liberal citizens of Turkey, which

emerge as the fresh face of Turkish-Islamic synthesis, which has Islamic faith and believes in the free-market economy (Insel, 2003; 297-299).

The success of the AKP depends on its overcoming the political crisis by manufacturing unity between the dominant classes and getting the active or passive consent of subordinated classes (Akça, Bekmen and Özden 2014, 6). The discourse has helped create a 'common sense' among the public that the key to stable growth was structural reforms. In its general definition, 'common sense' means the fuzzy set of held assumptions and beliefs common to any society. The term means the uncritical and unconscious way of understanding and recognising the 'common' environment. The interests of the dominant classes are presented as 'common sense' and legitimised in the eyes of the people. Therefore, the neoliberal hegemony is not only constituted by economic policies; the use of ideological symbols and religious/cultural references, which appeal primarily to the second generation bourgeoisie, also play an essential part. Sunni Islamic values are employed to establish and merge neoliberal hegemony.

In the Turkish case, this new model was presented as desirable and inevitable and the previous one as chaotic (Hosgör, 2014; 205). So, as the hegemony requires, the party has exercised intellectual, moral and political leadership over the society. People belonging to the working class (or other classes) identified their interests with the interests of the bourgeoisie and contributed to the neoliberal hegemony rather than rebelling against it, as described by Gramsci, also in the Turkish case (Gramsci, 1999; 626).

According to Tugal, the AKP revived the neoliberal hegemony by blending Islamism into secular neoliberalism at all levels of the hegemonic formation in 2002 (2009; 51).

The AKP organised its appeal along the lines of ‘strong government’ and ‘stability’. The rhetoric based on these notions played a prominent role in eliminating significant opposition to the regulatory reforms and fiscal discipline that were implemented quickly and proved helpful for organising the neoliberal hegemony (Hosgör,2014; 205).

According to Tugal, ‘AKP claims to champion the interests of the majoritarian popular classes while pursuing an orthodox neoliberal, pro-EU, pro-NATO line’ (Tugal, 2007). Yoruk and Yuksel argue it portrays the Kemalists as representatives of the economic, social and military elite and asserts that ‘with the help of a credit-fuelled boom, the AKP has established electoral majority through its hegemony over the informal urban proletariat and the rural poor bolstered by clientelist practice’ (Yoruk and Yuksel,2014; 109). It is also claimed that AKP’s pro-Western policies also attracted the support of left-liberals who have moved away from the Kemalist bloc, leaving CHP to rely on urban middle classes as its electoral base (Kaya, 2008).

A class becomes dominant by gaining control over the economic organisation in society, which can be measured by the ownership and control over the dynamic assets in society. According to Öncü, the Turkish experience, similar to some other capitalist formations, the dominant class status has been determined by the conditions that have enabled integration into the global capitalist economy (2003; 322).

It is claimed in the article by Müftüleri-Baç that AKP governments have used Turkey’s foreign policy in the Middle Eastern region for both domestic and foreign policy objectives (2011; 280). This thesis agrees with the statement that the new foreign policy that the AKP has constructed also has domestic implications that serve as a

new basis for national identity. The party has found it helpful to use the foreign policy orientation to construct its nationalistic hegemonic project domestically. By referring to the Ottoman past, the party has been trying to establish a ‘Neo-Ottomanism’ where the nation’s identity is not limited solely to territorial borders.

This means what is good for the ‘nation’, and ‘national interest’ gets reconfigured by those in power, and any opposition to this can be hostile, making the neoliberal hegemony in Turkey unchallenged. This new understanding of nation and nationalism has helped the party establish and merge its domestic hegemony.

The attempt by the AKP to hegemonise conservative democracy can be regarded as a move to convince its electoral base that protests against the government policies represent a direct and vital threat to conservative values and way of life (Özen,2020). Therefore, criticism against its hegemonic ambitions was presented to the public as not a criticism of the government but an organised attack against the Islamic lifestyle, suggesting an instrumental way of seeing democracy.

Research Questions

The research question is: “How does AKP’s foreign policy contribute to the consolidation of neoliberal hegemony in Turkey?”

This thesis will answer this question by relying on Gramsci’s concept of hegemony. It comprises eight chapters; Chapter 1 and Chapter 8 are the introductory and concluding chapters. Chapter 2 will study Gramsci’s hegemony concept and seek to construct a theoretical foundation for this thesis. In addition, there is a brief history of political Islam in Turkey in Chapter 3. Chapter 4 will explore the domestic sources of

the neoliberal hegemony since it will focus on the political economy of the AKP's policies, the role of the social assistance schemes, urban transformation projects and religious values in constructing the hegemony of the AKP. Chapter 5 will study the foreign policy of the AKP between 2002 and 2018. It will essentially focus on the 'Strategic Depth' doctrine of Ahmet Davutoğlu, which is crucial for grasping the roots of the Neo-Ottomanist approach that has been advocated by the party and also discuss the repercussions of this policy in the Middle East. Chapter 6 will focus on how AKP's foreign policy in the Middle East contributes to the capital accumulation process and, therefore, the support basis of the AKP. This chapter will trace capital inflows and outflows and trade patterns to assess which capital groups benefit from this activity. Chapter 7 will be an analysis based on the research questions, and Chapter 8 will outline what has been discussed in the previous chapters and set out the main findings of the research.

Chapter 2

THEORETICAL FRAMEWORK

2.1 Introduction

This PhD thesis aims to understand the foreign policy tools used by the AKP toward the constitution and preservation of the neoliberal hegemony in Turkey by critically relating to the ‘Hegemony’ concept developed by the Italian philosopher Antonio Gramsci as a useful theoretical lens. As stated earlier, AKP’s foreign policy, which is commonly referred to as ‘Neo-Ottomanism’, is argued to represent a breakaway from the traditional foreign policy of Turkey, leading to the development of rich literature on the party’s ideological orientation and foreign policy.

Öncü (2003) argues that the economically dominant classes have attempted to establish hegemony in Turkey before, but this has occurred more in the state than in civil society. However, the economically powerful bourgeoisie has not attained a parliamentary consensus, so it fell short of establishing hegemony within the bureaucratic system and state legislature. Öniş (2013) has talked about AKP’s electoral hegemony, which became visible after the party won 3 elections, making it the dominant party in Turkish politics. Öniş also argues that The party has managed to assemble and preserve an electoral coalition that includes diverse groups, comprising groups from different social classes such as the second generation bourgeoisie as well as urban and rural poor and groups of various identities such as

religious conservatives, Turkish nationalist, liberals and Kurdish Nationalists (Öniş, 2012;135-152).

According to Robinson (2005; 2), there are four central interlinked notions about the international order and world capitalism linked to hegemony in the literature: ‘Hegemony as international domination’, which is found in the realist tradition such as the dominance of the USSR and US over different blocs, ‘hegemony as state hegemony’ where there is a dominant nation-state, a hegemonic power, ‘hegemony as consensual domination’ or ideological hegemony which refers to the Gramscian approach focused on how a ruling group establishes consent and’ hegemony as the exercise of leadership within historical blocs within a particular world order ‘which translates to exercise of leadership within historical blocs in the particular world order.

This thesis is interested in the Gramscian approach of hegemony focused on how a ruling group establishes consent to its rule and will investigate the constitution and consolidation of neoliberal hegemony in Turkey. Judging from the literature, there is a need to understand better the motivation and outcome of these policies are significant for Turkey and the regions around Turkey. This thesis will contribute to the literature by examining foreign policy and domestic politics together, a focus that has been missing in the literature, and by outlining how the policies followed in foreign policy link to domestic politics and, therefore, to the functioning of the neoliberal hegemony. This chapter will first talk about what is meant by the ‘hegemony’ concept developed by Antonio Gramsci, then study how hegemony is exercised in society and finally outline the neoliberal populism of the AKP.

2.2 Gramsci's Concept of Civil Society

Gramsci has outlined a dichotomy in political thought at the root of his analysis: civil society and political society. Gramsci defined civil society in connection with the ideological superstructure, the institutions and technological tools which create and shape modes of thought. Jessop argues that Gramsci departed from Hegelian and Marx's equation of civil society with the national substructure linked to economic relations (Jessop, 1982; 26). This was done by using the traditional terminology with a distinction from the Marxist understanding of superstructure and explaining the structure of power and dynamics instead.

The distinction made by Gramsci between political and civil society is analytical, which helps with our attempt to understand, as he recognised an interaction between the two spheres. 'Political society' corresponds to the police, the army, and the legal system, the field of political and legal institutions. In contrast, civil society corresponds to the family, education system, trade unions, etc. In addition, Gramsci defines political society as the arena of force and civil society as the arena of consent (Gramsci, 1971; 9). For example, 'the State, when it aims to start an unpopular action or policy, creates the reasonable, necessary public opinion beforehand. It organises and centralises certain features of civil society (Gramsci; 1971; 158). Gramsci aims to discuss the potential manipulation of radio and the press, which may or may not have direct links to the government. Gramsci links hegemony with the field of civil society, which covers a wide range of institutions between the state and the economy. Examples of these would be privately owned television channels, newspapers, and the family.

He has defined the state as ‘the entire complex of practical and theoretical activities with which the ruling class justifies and maintains its dominance and wins the active consent of those over whom it rules’ (Gramsci, 1971, 244). Civil society must be distinct from the state so that it can be independently seized since otherwise, the tactic of establishing an alternative hegemony would not make much sense. Certain hegemonic institutions of civil society, such as political parties and organised religion, are altered in specific historical situations and periods into constituent pieces of machinery of the state apparatus. All organs of the civil society compel those non-conformists and those who rebel against coming under their particular jurisdictions. Gramsci defines the state in the following way:

- State = political society + civil society that is hegemony armoured by coercion

- State in the integral sense: Dictatorship + hegemony (Gramsci, 1971).

So it is through the state that the fundamental theoretical and political action is represented and the platform for the ruling classes not to justify and contain their dominance but also to get the active consent of the governed (Eagleton, 1991, 112). Under the command of capitalism, economic life is no longer subject to constant supervision. However, it becomes the need for survival survive, which keeps men and women focused on work and disconnected from any political participation. Gramsci institutions that support the state’s privilege to have a monopoly on violence and through which force is exercised would be parts of political society. (Adamson, 1983; 218).

Doomed to perceive reality through the conceptual vision of the ruling class, those under the rule cannot recognise the nature or extent of their servitude (Femia, 1987;

35). For example, in the parliamentary system for Perry Anderson, ideological tools of capitalism can be seen at the centre of the parliamentary system and political parties, media and churches, despite being critical, still serve in a complementary position (Anderson, 1977; 32). In these examples, hegemonic tools act to receive consent and not coercion. Coercion is reserved for the state, which holds the monopoly on legitimate violence (Eagleton, 1991; 114).

So what does Gramsci mean when he says the hegemonic rule is made up through consent? What exactly is this conforming behaviour account to? Moreover, since hegemony is said to involve some societal consensus, what features of the social order must exist in the agreement? For example, when Gramsci refers to consent, he describes a psychological condition that involves accepting the prevailing socio-political order or certain essential aspects of that order (Anderson, 1977; 36). His idea of consent refers to a directly observable point, so a hegemonic order does not need to integrate liberal institutions as it may be a totalitarian state.

2.3 Hegemony

Gramsci depicts hegemony as the ‘spontaneous consent given by the great masses of the population to the general direction imposed on social life by the dominant fundamental group’. Consent is described as being ‘historically caused’ by the prestige gained by the dominant group because of its position and function in the world of production (Gramsci, 1971; 84). He also argues that those who consent must be persuaded that the interests of the dominant group are in line with the interests of the society so that the hegemonic group represents a social order in which all men are treated as just.

This is when the concept of 'common sense' is introduced. In its general definition, 'common sense' means the fuzzy set of held assumptions and beliefs common to any society. Gramsci argues that the bourgeoisie developed a hegemonic culture that spread around its values and norms, making it all the 'common sense' values (Gramsci, 1999; 625). People belonging to the working class (or other classes) identified their good with the good of the bourgeoisie and contributed to preserving the status quo rather than rebelling against it (Gramsci, 1999; 626).

The working class had to cultivate its own culture to counter the belief that the bourgeois values represented 'normal' or 'natural' values for society (Gramsci, 1971). It was not just the ideas that needed to be challenged, but the social forces behind them and the ideology these forces have created, which has become part of what Gramsci labels common sense. (Gramsci, 1971; 85). The term means the uncritical and unconscious way of understanding and recognising the 'common' environment.

What is important here is that Gramsci categorised political society with the application of coercion and civil society as the realm in which hegemony was applied through spontaneous consent (Pillay, 2004; 116). There is a linkage of force to the former and consent to the latter. Gramsci's purpose was to highlight how governance extends into civil society since this was where a politics of hegemony was practised. So Gramsci's definition was directed toward the politics of consent and, therefore, hegemony rather than coercion, which was the force of law.

Eagleton argues that, in a capitalist society in particular, 'the ratio between consent and coercion shifts decisively towards the former' (Eagleton, 1991; 116). For him, in such circumstances, the power of the state to discipline and punish remains steady and

in modern societies develops even more challenging as the many technological ways of oppression thrive. This is where institutions such as schools, families, churches, media and the rest occupy a crucial role in the social control process.

2.4 Base and Superstructure

According to the Marxist theory, human society comprises a base and a superstructure. The base covers the forces and relations of production, such as employer-employee relations, the technical division of labour, and property relations. The influence of the base, however, is predominant. These forces and relations of production make up what Marx labels as ‘the economic structure of society or what is more commonly referred to by Marxism as the economic ‘base’ or ‘infrastructure (Eagleton, 2002; 5).

Marx argues that ‘The total of these relations of production makes up the economic structure of society, the real foundation, on which arises a legal and political superstructure, and to which corresponds definite forms of social consciousness. The mode of production in material life determines the general character of life’s social, political, and intellectual processes (Britannica, 2021). This economic base in every period materialises a ‘superstructure’ that contains defined forms of law and politics, a particular state whose primary purpose is to legitimate the power of the social class which owns the means of economic production (Eagleton, 2002; 5).

Carroll argues that although Gramsci followed in the path of the Marxist principle of one hegemonic centre in which the social relations are formed through the mode of production, his consideration of culture and the somewhat autonomous institutions of civil society represented a rejection of the mono deterministic base-structure notion

of Classical Marxism (Carroll, 1994; 21). He argues that Gramsci's focus on a war of position (resistance to domination with culture as opposed to a war of manoeuvre which is physically overwhelming the coercive apparatus of the state) coincides with the efforts of social movements to produce new political arenas within civil society and change the content of hegemony (Carroll, 1994; 22).

Gramsci differentiated society between two types. One had undergone a social revolution and entirely discovered its consequences in new means of production and social relations, with England and France being the exemplary cases (Cox, 1983; 55-57). The other society was those which had imported or were pressured for a new order created abroad without the old order being overthrown (Cox, 1983; 56-58). Cox argues the latter was caught up in a conflict of revolution-restoration, which inclined to be blocked since neither the new forces nor the old ones could be victorious (Cox, 1983; 59).

The new industrial bourgeoisie in these societies that had been generated has not achieved hegemony. The result has been a deadlock with the traditionally dominant social classes forming the conditions labelled as 'passive revolution' by Gramsci: the process of change that did not include any awakening of popular forces (Gramsci, 1971, 116). The revolution does not solely transform the relevant state's internal economic and political structures but also releases a dynamism that grows further from the state's boundaries. The established economic and social institutions, the prevailing culture and the technology linked with this national hegemony become methods for imitation abroad. While those countries on the road to transformation may adapt to some economic and cultural aspects, it often becomes challenging to imitate the political models.

To summarise, the concept of hegemony described in the Prison Notebooks has four fundamental characteristics:

- A strategy for the production of consent instead of coercion,
- This consent must be obtained in civil society instead of the state
- Based in the west in a war of position as opposed to the east, which is suited to a war of movement,
- Can be applied equally to bourgeois and proletarian tactics as a formal theory of power.

2.5 Counter Hegemony

In the state machinery, a setting for hegemony, intellectuals can establish a counter-hegemony. In civil society, they exercise organisational roles in the broad sense, whether in the production of culture or political administration. Gramsci (1971; 99) also argues that ‘all men are intellectuals’... but not all men have the function of intellectuals in society. Therefore, it can be said that intellectual activity is attributed to importance within the multiple dimensions of social relations. They act as agents of the dominant group who implement social hegemony and political government functions. For example, Gramsci (1971, 116) outlines that journalists and philosophers may still consider themselves true intellectuals. He also distinguishes between rural and urban intellectuals. For example, Gramsci (1971, 14) stresses that the rural intellectuals are recognised as part of the traditional since they are connected to the social mass of the country people and the urban bourgeoisie.

Gramsci attempts to focus on the establishment of the political and ideological superstructures and how the relations of political forces assertively shape the capacity of capital to reproduce its class domination (Jessop, 1982; 145). He also stresses that

ideological practices conclusively affected political relations, which he gives place to their institutional foundations, social backings, and essential consequences on social relations (Jessop 1982; 146).

Gramsci's analysis of state power is essential. He rejects the understanding of the state, which limits it to a capitalist mechanism and portrays the state as a class force that plays a significant role in the organisation of class domination, in safeguarding the interests of the bourgeoisie in the long run and its unification (Gramsci, 1977, 39–42, 73–74). Also, the state has helped give concessions to subordinate classes and secure the active consent of the governed in democracies or completing their demobilisation in severe forms of state (Gramsci, 1971; 32–33, 129–131).

Once the bourgeoisie grabbed hold of power and became dominant, the status of these institutions became much vaguer. This has resulted in a clear-cut, analytical distinction between civil society and political society is possible for Gramsci only because of the peculiarity between the institutions of the subordinate class and those of the dominant classes. While the former is essentially in civil society, the latter, as parts of civil and political society in developed capitalism, are ultimately under the command of political society (Gramsci, 1977; 132-133). Gramsci, therefore, focuses on the composition of the political and ideological superstructures and the methods in which the relations of political forces form the ability of capital to replicate its class domination (Gramsci, 1977; 73-74).

Gramsci refers to the political party as the expression of a social class. Therefore, the political party for some social groups becomes a specific platform for enlarging their influence through their organic intellectuals directly in the political and philosophical

field of production. For all the relevant groups, the political party is accurately the suitable mechanism that carries out in civil society the same purpose as the state, in a less natural way and to a more considerable extent, in a political society. He also argues that a single social group, through its political party, can exercise a balancing function between the interests of its group and those of the other groups (Gramsci, 1971; 148).

2.6 War of Position vs War of Manoeuvre

Gramsci worked on at least two different operational definitions of political democracy. First, he outlined the need for high social mobility in elite recruitment (Adamson, 1983; 209). This definition foresaw a relatively steady division of labour between elites and masses, leaders and led. The other definition involves a democratic political establishment is one in which the central foundation of operation is not “that there should always be rulers and ruled” but that “the conditions in which this division is no longer necessary” should be created (Gramsci, 1977; 122).

Gramsci focused on Lenin’s definition of the Russian proletariat as a dominant and directing class. Dominance referred to dictatorship and directly referred to the leadership of the class with got the consent of the allied classes (Cox, 1983; 51). Hegemony was exercised over the allied classes and dictatorship over enemy classes in this respect. Gramsci differed in how he gave a new cycle to this aspect: he applied the case to the bourgeoisie, to the tools and mechanisms of the hegemony of the dominant class. This approach gave him than necessary ground in the cases in which the bourgeoisie had achieved a hegemonic leadership position over the other classes from those which it had not done so.

Because of this understanding, Gramsci broadened his definition of the state. It no longer made sense to define the state within those limits when the executive and coercive tools of government were in effect compelled by the hegemony of the dominant class of a complete social formation. For the definition to be significant, the notion of the state would also need to contain the foundations of the political structure in civil society. In this respect, the hegemony of a dominant class connected the traditional categories of state and civil society. These categories preserved certain analytical meaningfulness but failed to relate as real separable entities.

Gramsci argued that the state in Europe- the state that was limited in the sense of administrative and coercive mechanisms and not the broader concept of state- was an ‘outer ditch’ where there was a robust system of fortresses and earthworks (Cox, 1983; 57). A war of manoeuvre in an open field that means physically overpowering the state’s coercive machinery could not have been effective against the hegemonic state structure existing in Western Europe. Instead, he argued that in modern democracies, confrontation of the state (armed uprising, general strike) would not challenge the dominant groups as long as their authority and credibility remain rooted in civil society (Gramsci,2007; 170).

For him, the alternative path to follow was the war of position, which builds up slowly the strength of social foundations towards a new state (Cox, 1983; 58). In Western Europe, unlike in Russia, Gramsci argued that the struggle had to be won in civil society before an attack on the state could be successful. Instead, Gramsci described it as “the only viable possibility in the West” since a war of position involves resistance to domination with culture rather than a physical approach in its foundation (Gramsci, 2007, 168). For him, culture should be at the heart of such a revolutionary

project since culture shapes how people see their world, how they manoeuvre within it, and whether they see such changes as desirable or workable (Gramsci,2007; 169-171).

2.7 AKP's Neoliberal Populism

Populism can be defined as a way of politics that constructs the centre of political conflict as a battle for power between a bloc composed of elites and a popular-national bloc. Its political strategy is based on the division of the society into two major hostile camps and claims to represent the aspirations of the popular national bloc on an economic, social and political level (Akça,2014; 32). For Stavrakakis, populism encompasses ‘the construction of a symbolic antagonism between ‘the people and ‘the elite’ through the notion of unfulfilled demands and an anti-institutional attitude in the discourse of politicians after a crisis’ (Stavrakakis 2005: 243).

For example, in the USA, Trump’s right-wing populism considers the enemy to be “the immigrants protected by the liberal establishment who is alienated from the interests of real American people”. In contrast, for the Latin American left-wing populists, it is usually “the neoliberal, IMF-supported elite who is against the interests of poor working-class people.” (Mutman, 2017). A sense of national identity often blended with a strong emphasis on racial association seems necessary for right-wing populism.

Populist politics, whether employed by left-wing or right-wing groups, assemble the power bloc (having a common interest and acting as a single political force) with a popular national bloc (nationalist parties acting together) with different social policies since they influence different social classes and social groups (Laclau, 1977). These

populist politics can either be characterised as democratic or authoritarian, depending on whether it empowers the oppressed social classes and social groups in the political arena or weakens those groups (Hall 1980).

While populist policies are associated with charismatic leaders, neoliberalism functions through technocratic decision-making procedures. Mahmut Mutman describes the current regime in Turkey as neoliberalism implemented by populism, which he claims is commonly witnessed in peripheral societies (Mutman, 2017). The neoliberal promise of generating new markets by privatisation and deregulation enables it to make a solid claim for challenging 'state bureaucracy' with an anti-elite discourse, placing itself in a similar anti-status position to populism (Mutman, 2017).

Yildirim (2009), Bozkurt (2013), Yalvaç (2016) and Özdemir (2020) also define the regime in Turkey as neoliberal populism. For Yıldirim, neoliberal populism can be associated with leadership that has the goal of establishing the power bloc of the bourgeoisie over the subordinated classes referring to them as the 'people' and where labour is increasingly exploited, insecure working conditions are found, and there is an attack on the organised labour (Yıldırım,2009; 78).

Following the legacy of Turkish centre-right populism, the AKP has also constructed the centre of political conflict between the power bloc of the Kemalist state elites and the 'millet' (nation), who are excluded politically, economically and culturally. It is claimed that the Kemalist state elites who hold a Westernist, secularist and modernist position dominated the national bloc (millet), whose common aim has been to make up the excluded 'silent Sunni-Muslim majority' (Akça,2014;32). This power bloc regime constructed by the Westernist minority is rooted in state apparatuses such as

the military, the president, the high judiciary and the higher education council. This populist rhetoric is also in line with the neoliberal political and ideological discourse, which is anti-statist. It portrays the state as being the primary barrier to economic development and the functioning of the free market. However, AKP's critical rhetoric seems to base itself on the Kemalist's control of the state machinery rather than a criticism of the state form.

AKP's discourse presented itself as the genuine voice of 'the people' (millet) against 'the power' based on the argument that state elites ignore or curb the people's demands and ambitions (Özen, 2020). For Özdemir, AKP's populism is based on its vocal anti-establishment language and its claim to represent a genuine mass but also because of Erdoğan, who carries a loving father attitude and can relate to the ordinary people (Özdemir, 2020; 248).

In line with the Gramscian idea, it can be labelled based on common sense that sets out the ideas and values of the ruling elite as universal and self-evident truth. In politics, based on common sense, we can also witness events speaking for themselves, and the facts are not questioned. Populist leaders discredit sources of factual knowledge, such as scientific institutions, and promote narratives that diverge from the truth. Bozkurt argues that the common sense in Turkey is constructed through the discourse of conservatism, Islamism and conservatism (Bozkurt, 2013; 374).

In Turkey, Islamism can also be regarded as a class difference since the economically powerful class was the Istanbul-based bourgeoisie through the capital provided by the Republican statist elite (Mutman, 2017). Therefore, Islamist populism can be considered the construction of class difference as religious difference. This 'class' and

‘anti-elite discourse provided Islamism with a powerful victimisation argument (Mutman, 2017). Despite these claims, Turkish Islamists strictly followed the neoliberal economic program that the previous government agreed upon because of the economic crisis of 2001 and implemented neoliberal economic policies while in power.

2.8 Methodology

Many attempts to establish a hegemonic unity in the 1980s and 1990s had failed in Turkey. Instead, the AKP overcame the hegemony crisis by engineering unity between dominant and subordinated classes. The party followed policies that would satisfy all those involved and established neo-liberal hegemony by articulating religious conservatism and neo-liberalism capable of generating electoral support. The neoliberalism of the AKP was also a response to the demands of the second-generation bourgeoisie that was on its way to becoming a significant economic actor in its own right. Today, the AKP represents the interests of both the first and second-generation bourgeoisie. This thesis argues that the AKP aims to further neoliberal hegemony or the hegemony of the first and second generation bourgeoisie over the working class. It also argues that AKP has used foreign policy to legitimise the hegemony of the bourgeoisie.

An example where foreign policy is used to legitimise the hegemony of the dominant classes is found in ‘American exceptionalism. In its general definition, ‘American exceptionalism is about the belief that the United States differs qualitatively from other developed nations because of its unique origins, national credo, historical evolution, and distinctive political and religious institutions” (Koh 2005, p.225). The term has been around for a long time and has been a unique reference to US history,

identity and culture (Lipset 1996, Madsen 1998). The idea that the US is a unique case ‘outside’ the typical historical configuration is deeply rooted in American society.

The discourse of ‘American exceptionalism’ is based on the idea that America’s values, political system and history are unique and should be admired by all outside the US (Walt 2011). This also assumes that the US is entitled to fulfil a distinctive positive role in world politics. This exceptionalist approach becomes a problem for the US since such double standards in attitudes or values become much more visible because of its position globally, and other countries usually dislike such differences. For example, Thimm (2009) has argued that the US is still subject to and bound by international law despite this exceptionalism.

Such unchallenged and excessive faith in American exceptionalism makes it difficult for the American public to perceive why other countries are less keen on US hegemony, might be worried about its policies and are constantly angered by double standards on the issues of possession of nuclear weapons, respecting international law or other hypocrisies (Walt, 2011). In addition, Walt asserts that “US foreign policy would be more effective if Americans were less convinced of their unique virtues and less eager to proclaim them” (2011). As a hegemonic power, how the US acts have repercussions worldwide. The US has been accused of double standards concerning issues such as global democracy promotion, which has been used as an excuse for the invasion of Afghanistan in 2001 and Iraq in 2003.

A similar mindset can be recognised in AKP’s Neo-Ottomanism. The Neo-Ottomanist foreign policy is also used to legitimise the hegemony of the dominant classes, similar to American exceptionalism. The AKP has attempted to justify its Neo-Ottomanist

foreign policy by referencing Turkey's unique status and 'responsibility' toward former Ottoman territories. Turkey's geographical position and the need to engage with former Ottoman territories have been presented as the rationale for the new foreign policy orientation based on intervention and expansion.

Perceptions of historical events and their selective appropriation, such as a multicultural coexistence, are visible in this model (Yanık, 2011). The former Ottoman identity is presented as a social and political expression that attempts to serve as a vehicle which helps to strengthen community ties. Finally, Yanık talks of a Turkish 'exceptionalism' based on the image of Turkey as a future rising power that must perform a mediator/peacemaker's role with the help of its 'exceptional' geography and history(2011;96). In this configuration, an exceptionalist perception of Turkey's geography and history is constructed against the Kemalist nation-building with this hybrid identity assumption, forming an international identity contrary to the domestic level identity(Yanık,2011;87).

This thesis has surveyed the literature to put forward the domestic sources of neoliberal hegemony. Specifically, it has elaborated on social assistance schemes, urban transformation projects and religious values in constructing neoliberal hegemony. Nevertheless, its significant contribution has been to show how the AKP used foreign policy to serve the hegemony of the bourgeoisie in Turkey. Regardless of its impact on Turkey's regional leadership ambitions, AKP's instrumentalising Sunni Islamic values in its interactions with other countries in the Middle East creates a political impact on the party's primarily Sunni constituency.

Fresh insight was particularly required about a commonly recurring question: to what extent, and in what sense, is the AKP's foreign policy agenda linked to domestic politics? Therefore, it was helpful to research the motivations of the AKP in conducting foreign policy. There is also a need to understand better the motivation and outcome of these policies, which is significant for Turkey and the regions around Turkey.

The research has followed an interpretivism method. It has employed qualitative research. It is a single case study. Understanding the historical, cultural and socio-economic context of the chosen research, an analysis of the party's policies through a theoretical lens has been done. These sources have been both Turkish and English. Secondary data has depended on articles, journals, and books related to the topic. I made a content analysis of the existing data. Internet (e.g. newspapers) has also been another data source to gather daily information about the thesis.

2.9 Conclusion

Gramsci is concerned with preserving class domination through a flexible combination of coercion and consent and therefore emphasises state power. For example, suppose the focus is shifted to the exercise of state power rather than the internal organisation of the state mechanism. In that case, the consequences of state intervention are determined by its effect on the social relations in a society. Gramsci seeks to examine the origins of state power within the economy, such as the hegemony in the factory and within the state mechanism itself (Gramsci, 1977; 285). In light of this focus, he defined the state as 'the entire complex of practical and theoretical activities with which the ruling class not only justifies and maintains its dominance but wins the active consent of those over whom it rules' (Gramsci 1971; 244).

Hegemony contains the successful mobilisation and reproduction of the ‘active consent’ of subjugated groups by the ruling class through the exercise of moral, intellectual, and political leadership (Jessop, 1982; 151). It should be said that Gramsci’s originality is based on his radical re-examination of state mechanism and state power, which has been referred to in his various analyses of hegemony.

In the Turkish case, the neoliberal hegemony has been merged and expanded with conservatism and neoliberal populism, helping the party to receive widespread support. This new neoliberal populism involves a distinction between the ‘acceptable’ citizen and the terrorist, which is decided through exceptional legal means (Akça, 2014; 38). Besides Kurds and socialists, who have constantly been regarded as a threat to the nation, secular elites such as civil and military bureaucrats, journalists and academics are considered ‘internal enemies’.

These conservative and authoritarian policies by the government have alienated the urban, secular and liberal-minded groups who gave their consent to the AKP regime before. Most of those belonging to urban lower and some part of the upper-middle classes feel excluded culturally, economically, and politically, which may damage neoliberal hegemony.

Chapter 3

THE BIRTH OF POLITICAL ISLAM IN TURKEY

3.1 Introduction

This chapter will provide a background of political Islam in Turkey by looking at the birth of Islamism as a political ideology in modern Turkey, the clash between Kemalists and the Islamists, the establishment of different Islamist parties in the modern Turkish political system and the emergence of Islamic capital groups and finally an Islamist party coming to power followed by the 28th February process. It will argue that the reforms carried out after the coup made it possible for the Islamists to expand their support and capital base. Also, it will claim that the second generation Anatolian bourgeoisie, who are socially conservative and economically liberal, form the support base of the AKP and have contributed to the process of the party coming to power. Besides this, the historical information provided in this chapter will help to differentiate policymaking between the previous Islamist parties and the AKP.

3.2 National View Movement

Political Islam's first outright political expression was under the leadership of Necmettin Erbakan in 1970, with the establishment of the Milli Nizam Partisi-MNP. MNP argued for a new economic and social order based on 'national' principles, arguing for a return to traditional values and institutions. They considered the replacement of Ottoman culture with Westernisation efforts of the Turkish state as mistakes and the root of all the faults in Turkish society. Seeing Turkey's identity as part of the Muslim world instead of the West, their goal was to restore a 'national

(Islamic) order' and halt the process of Westernization (Dagi, 2005; 21-37). However, the party was short-lived, as the constitutional court closed down the party because it exploited religion for political purposes (Dagi, 2005; 4).

Erbakan, leaving Turkey for Switzerland, established the Milli Görüş (National View) organisation, which would later become one of the most fundamental support bases of future Islamist movements in Turkey. Erbakan returned to Turkey after the court cleared his case and, on October 11, 1972, formed the Milli Selamet Partisi - MSP. MSP argued that an industrialisation policy based on 'native' heavy industry created by the upcoming Anatolian capital would create a strong nation that would not need the West and become the leading force in the Muslim world (Rabasa and Larrabee, 2008; 41). Also, the MSP called for creating a Common Market of Muslim countries, Islamic dinar as its common currency, and the establishment of a Muslim Defence Alliance as an alternative to NATO (Toprak, 2005; 187-199).

The 1973 elections proved vital for Erbakan since the party received 11.8 per cent of the votes (Dagi, 2005; 8). The party went into coalition with Bülent Ecevit's CHP. However, the establishment coalition caused an internal rift between the Nakşibendi tariqat and the Nurcu tariqat in the MSP. As a result, the Nurcu group that opposed the MSP left the party coalition (Yesilada, 2002; 68). MSP was the only party that took part in all the coalitions during the 1970s, which helped the party attract supporters from medium-sized industrialists, merchants and wholesale traders, who had mainly benefited from the rapid urbanisation and industrialisation of the early republican period (Sen, 2010; 70). MSP lost a significant number of votes in the 1977 election since the Nurcu supporters of the party supported Demirel's Justice Party and

Nationalist Action Party of Türkiye instead (Sen, 2010; 71). With the coup d'état of 1980, the MSP chapter in Turkish politics had closed.

3.3 The 1980 Coup

Towards the end of the 1970s, Turkey witnessed unstable coalition governments, often short-lived and proved ineffective in stopping the political violence between the radical leftists and ultranationalists (Ozbudun, 2001; 240). The increasing political violence towards the end of 1979, coupled with the economic crisis and the two dominant parties of the period, CHP and AP, unwilling to compromise over their political divisions, paved the way for a coup d'état on 12 September 1980 (Jenkins, 2008; 65). For over three years, between September 1980 and November 1983, Turkey was ruled by a military regime, namely the National Security Council, which declared all the political parties in Turkey illegitimate. In the most prolonged military intervention in the country's history, martial law was in effect, and the parliament was dissolved. The five-person military junta headed by a chief of Staff, Kenan Evren, ruled the country for over three years.

The military junta outlawed all political parties in October 1981 and imposed a ban on all political activity. Erbakan, along with 33 members of MSP, was detained on 24 February 1981 and charged under Article 163 of the Turkish Penal Code for violating secularism. The case lasted for two years, and, as a result, Erbakan was sentenced to four years in prison, but the convictions were overturned on appeal on 13 February 1985. The junta also designed a new constitution forbidding new political parties to have any political connection with the parties that existed before the coup and also inserting a clause which stated that all political parties "must work in conformity with the principles of Ataturk and his revolution" (Jenkins, 2008; 71).

The 1980 coup d'état transformed the Turkish political arena dramatically. It suppressed leftist politics and led to the death and torture of many Turkish citizens. The coup's effects can still be felt throughout Turkish society since it impeded an authoritarian and undemocratic constitution in 1982.

3.4 Adoption of the Turkish- Islamic Synthesis

After the 1980 coup, the military junta believed Sunni Islam could outweigh the influence and power of radical left politics in Turkey (Eligur, 2010; 93). The military seemed to have developed a special relationship with people who were members of traditional Sunni Islamic orders, where the military would not be too harsh with the Islamists as long as they supported the policies of the military.

Despite having their suspicion of Islam and Islamist groups, the military saw Sunni Islam as a legitimate tool to spread its policies and as a valuable instrument to contain radical left politics. They tried to unite all those who follow the Islamic faith under one enormous umbrella while also looking to monitor the Islamist groups. Both secular intellectuals and Islamists criticised such contradictory policies. While these policies were permissive for secular intellectuals and would cause an upheaval in Islam, the Islamists were unhappy with the military for trying to define what “the true religion is “(Ayata, 1993; 54).

As Islam became crucially significant in social and political life, instead of fulfilling its role as the unifying force for the consolidation of state power, it has led to an extensive questioning of the established position of the state in society (Buğra, 2002; 189). The Turkish-Islamic synthesis also was a radical departure from the state ideology previously based on Kemalist secularism, for which religion was a matter of

the private sphere under state control. The new policy reinterpreted this, and Islam was blended into the nationalist doctrine to create an Islamic sense of national community and prevent a recurrence of ideological clashes and the political violence of the 1970s (Toprak, 1990; 10).

This was a significant turning point in Turkish politics. It contributed to the development of Islamism publicly and institutionally, creating the space for the rise of political Islam in the 1990s. It presented the Islamists with the crucial opportunity to deliver their message to a broader base. The Directorate of Religious Affairs and the Ministry of Education were the two-state institutions responsible for implementing the official state of the policy of TIS.

The TIS would be implemented as a state policy by the state institutions Directorate of Religious Affairs and Ministry of Education. The ruling AP highlighted the need to open up imam-hatip schools, mosques and Quran courses. During its rule (1983-1991), an average of thousand mosques were being built every year, taking the total number of mosques in Turkey to 63,775 by 1990 (Eligur, 2010; 124). Quran courses had increased by 91.5% in the same period from 2,610 to 4,998, where close to a million students had received the courses between 1984 and 1990(Eligur, 2010; 125). The number of imam-hatip students also increased by more than half to 54 per cent, taking the total number to 309,533 by the 1990-1991 academic year (Cakir, Bozan and Talu, 2004; 64-67).

The policy has meant that imam-hatip graduates would not be limited to the divinity faculties but would also have the chance to study education, law, and political science at the police academy and be able to pursue government jobs. With its policy of

establishing Islamic educational networks, the AP has helped create thousands of Islamists, opening their path to enter universities and the state hierarchy. These policies created an Islamist elite who have established their networks and Islamized society from below (Eligur, 2010; 126).

The post-coup period witnessed Turkey's transformation by the intersection and discourse of Neo-liberalism and Islamism. The post-coup period shifted from state-led development to export-oriented (Adaş, 2009; 627). The promotion by the government toward export-oriented economic growth and entrepreneurship offered the chance for local economies to broaden their entrepreneurial capacity (Bugra, 1998; 521-539). The change in government policies enabled the Islamic groups to emerge as vital actors in economy and politics who had more connections with those in power to provide them with links to state resources (Adaş, 2009; 627).

3.5 Emergence of Islamic Capital

From the 1980s onwards, Turkey has witnessed a significant rise in the number of Islamic banks, holding companies and entrepreneurs, leading to the formation of their business organisations in 1990 (Adaş, 2009; 625). MÜSİAD (Müstakil Sanayici ve İşadamları Derneği), which translates as Independent Industrialists and Businessmen Association, includes small and medium-sized family-owned enterprises alongside large-scale Islamic holdings in Turkey. The Islamist bourgeoisie was mainly born in the rural areas in Turkey, later moving to metropolitan cities. Many families of this background share a worldview that includes a firm commitment to religion and conservative values (Bugra, 2008; 521-39).

As argued earlier, until the 1980s, these groups lacked mobility and social capital, such as having social and political ties with the decision-makers, namely the state elite. Considering the Turkish state was very protectionist, the firms that managed growth did not achieve it by competition with other firms in the market but by favours from their ties with the state. Such favours included cheap credits, public contracts and subsidised raw materials from the economic enterprises run by the state (Adaş, 2009; 625). The role of the Islamic groups was also strengthened after the coup during the tenure of Turgut Özal as the Prime Minister. The AP's economic and political reforms in the mid-1980s weakened the state's control over the economy. They contributed to creating new entrepreneurs and capitalists in the towns of Anatolia, creating a new middle class that has been labelled as the 'Anatolian bourgeoisie' (Rabasa and Larrabee, 2008; 38). Bugra argues that the state displayed particular disfavour towards the small scale industry because their religiousness and conservatism went against the state's secularist character (Bugra, 1994).

This new middle class supports liberal economic policies that advocate reducing the state's role in the economic and social arenas and supports greater religious freedom because of their Islamic backgrounds. In the 1990s, it supported the Welfare Party, and today it backs the AKP as a core supporter base (Rabasa and Larrabee, 2008; 39). As a result, Turkish society's economic and social changes expanded Islamic political groups' political strength and appeal in the 1980s and 1990s. These groups have also been active in civil society, becoming socially and economically important actors with their acquired influence in the post-coup period.

The reforms carried out by Özal also led to an inflow of capital, mainly coming from the Arab world, and this gave the Islamists the grounds to organise politically. With a

more straightforward approach to religion by the state as part of the Turkish-Islamic synthesis, Private schools and universities were constructed by Islamists and brotherhoods (Rabasa and Larrabee, 2008; 39). Also, with access to virtual media channels and newspapers, they could reach a much broader political audience, with television, in particular, being an important tool (Mardin, 2005; 157). Such changes have enabled them to create a new discourse based on economically liberal and socially conservative grounds, as the hegemonic constitution requires.

As mentioned earlier, Islam's role as a unifying force to merge state power led to questioning the established state structure and its role in society. Islam's appeal became central to what can have been labelled as 'politics of recognition' by Charles Taylor (1994), where marginalised groups in societies claim representation and acknowledgement of their particular identities from the dominant majority and have paved the way for the electoral victories of the RP firstly in local elections in 1994 and later elections in 1995 that made the party a coalition partner.

An essential factor for the electoral victories was political Islam's success in using a functional language for the socially and economically disadvantaged, which brought together different segments of the society, such as newly emerging entrepreneurs from Anatolia to middle-class Islamic intellectuals and professionals and the marginalised masses who have migrated to big cities. MUSIAD holds an integral part in the changing political economy of Turkey since it has successfully brought together Muslim businesspeople of unique status and different locations into a community (Buğra, 1998). These developments have paved the way for neoliberal hegemony's future establishment and consolidation, the growth of the second generation bourgeoisie enabling such an appeal.

Another factor is the emergence of Islamic banks on both local and global levels in the 1980s and 1990s, contributing to the rise of Islamization of the economy and Islamic economic actors being more assertive. The emergence of several Islamic holding companies in the 1980s and 1990s by collecting investment from hundreds of thousands of religious Turkish migrant workers (Adaş, 2009; 627). The need for the collective spirit of Islamic business owners and gaining economic power as a group as an important way of achieving Islamic unity has constantly been the goal of MUSIAD (Adaş, 2009; 632).

Until the mid-1990, Islamic holding companies continued to receive money with no problems or control. The state actors who overlooked and were not bothered with the utilisation of these savings were concerned about the flow of these sums; once political Islam, now with its economic power and voter base, created an important threat to the secularist establishment (Ayata, 1996). Moreover, economic crises leading to poverty, unemployment and high inflation and the ruling parties proving ineffective in solving societal problems contributed to political Islam becoming a serious alternative ideology among urban lower classes (Adaş, 2009; 632).

MUSIAD and HAK-İŞ can be said to be the two leading economic organisations found by Islamists because of this process, yet they remain different in their approach. Perhaps both organisations' professional capacity and organisational strength have developed because of the rise of political Islam. They have followed a critical approach to the state-led modernisation in Turkey and the established power of the republican state in the society and instead argue for economic activity and industrial relations of the modern world economy (Buğra, 2002; 188). However, MUSIAD and HAK-İŞ remain in their original positions regarding social integration. Therefore, it

can be said that the workers and business owners interpret the expectations differently in an economic order where Islam is the critical point of reference.

While MUSIAD has usually followed an Eastern-looking strategy based on the centrality of reciprocity factors, HAK-İŞ has usually argued for an economy organised around redistributive/ associative principles found in many modern European societies (Buğra,2002; 192). Nevertheless, this changed with AKP coming to power and MUSIAD becoming more dominant in the policymaking. MUSIAD became more EU-oriented after 2003, claiming that EU resources and trade opportunities within the European market would prove beneficial. As a result, many MUSIAD members have developed trade relations across Europe (Yankaya, 2009).

According to Kuran, commitment to Islamic principles accomplishes two essential functions for business groups. First, it is helpful to ease the guilt linked to the accumulation of personal wealth where the process by which the money is generated lacks social legitimacy since it is based on a relatively risky legal procedure. Second, it lessens the uncertain feeling connected with mistrust among business owners by forming networks that trust each other and are in solidarity (Kuran, 1995; 155-177). Durak highlights how the common religious values act as a coercive tool on the proletariat. Workers who enter jobs through connections by relatives or their religious communities are expected to be thankful for the opportunity, mainly if the business owner is observed to be religious (Durak 2013, 42). Here, the worker does not have to be supervised with the quality of efficiency in his job since God performs the job as an ‘otherworldly Panopticon’ (Durak 2013, 43).

MUSIAD comprises 11,000 members representing nearly 60000 firms of different sizes spread out in the country geographically (MUSIAD, 2021). The organisation often uses religious terms in its publications and refers to the greatness of Allah. This Islamic identity fosters a mutual feeling of trust among the Muslim countries with which MÜSIAD has the ambition of having intensive cooperation (Özdemir 2006: 185). Therefore, in this industrial relations conducted on the Islamic framework, a formal labour code and the functioning of labour unions are substituted by mutual trust. Therefore, this helps construct an everyday hegemonic discourse, a ‘common sense’ where Islamic references are used to suppress worker-employee or class conflict. Such steps also prove helpful in taking away the resistance power of worker unions and therefore contribute to the neoliberal hegemony.

3.6 Welfare Party

After the military rule ended, a new party was established by Erbakan in 1983, the Refah Party (Welfare Party). The following year, the party received 4.8 per cent of the votes in the 1984 local elections (Dagi, 2005; 5). The party received 7 per cent in the general elections in 1987 but fell short of the 10 per cent threshold in national elections necessary to enter parliament (Dagi, 2005; 6). Two years later, in the 1989 local elections, the RP received 9.8 per cent giving the party mayor positions in five provinces (Onis, 1997; 755). The appeal of RP continued to rise in the 1990s.

Over 300,000 volunteers supported the RP in the 1995 elections (Eligur, 2010; 62-81). As discussed above, the enlargement of İmam Hatip schools in the 1980s contributed to the formation of organisational networks. One reason for the RP’s success in elections in the 1990s was the rejection of Turkey’s full membership application by the European Community in 1989. This significantly impacted Turkish

society even among the secular pro-Western groups who felt unwelcome by the West (Dagi, 1993; 75).

Before coming to power, RP's Turkish foreign policy was marked by a strong anti-West and anti-Israel discourse and argued for closer cooperation with the Middle East, stating that Turkey's cultural and religious differences from those in Europe were the main reasons for its exclusion (Bozdağlıoğlu, 2008; 65). Also, it was believed that such a discourse would help rapid economic growth and lead to Muslim countries having more bargaining power in their dealings with more advanced countries, such as those in the West.

This policy change made RP more acceptable and extended its appeal beyond the hard-core religious right. Furthermore, the party's populist yet catchy Just Order program gathered support from the marginalised urban poor who previously had voted for the centre-left parties such as CHP (Rabasa and Larrabee, 2008; 42). Since it was a well-organised party with devout members volunteering for the party, especially the women, they extended their message to the poor through this network.

The local elections of March 1994 showed how RP's political party had been growing when the party received 19 per cent of the national vote-winning mayor races in 28 provinces, with Istanbul and Ankara among them, much to the shock of centrist and secularist circles (Jenkins, 2008; 157). However, the genuine shock took place in 1995 when RP received 21 per cent of the votes, making it the largest party in the parliament (Dagi, 2005; 6). RP's unexpected victory shocked the secular establishment, especially the military. After a short-lived coalition government of centre-right political parties, Erbakan formed a coalition government with the centre-right True

Path Party. For the first time in the Turkish republic, an Islamist politician of an Islamist party would hold the position of Prime Minister.

Therefore, the Islamist social movement's big political success came in 1996 when the Welfare party came to power. The Islamists had appealed to those beyond regions and created support beyond their traditional constituencies. However, once it took office, the Welfare Party and its support base overestimated their power against the Turkish secularist groups. Erbakan promised to end interest rates and replace the Turkish lira with creating an 'Islamic dinar' from an Islamist worldview. He was critical of Turkey's military cooperation with Israel and threatened to cancel Operation Provide Comfort, which enabled United States aircraft to patrol Northern Iraq using Turkish bases (White, 1997; 27).

However, once he became the Prime Minister, Erbakan, as an experienced politician, was quick to retreat from the more extreme promises of signing a new agreement regarding the bases of the United States and adapting a more friendly tone toward Turkey's Western allies (White,1997). His post-election acknowledgement of strategic links and deals with the West suggests his discourse on Anti-west was an attempt to merge his followers during the election (White, 1997).

Despite its promises, the RP failed to address domestic issues and social problems in Turkey once in power. It became difficult for Erbakan to balance his anti-establishment rhetoric with the need to compromise with the secularists who remained highly suspicious of his political aspirations as long as his understanding of democracy (Rabasa and Larrabee,2008; 43). This further polarised the political environment along secular-Islamic lines. Soon after taking office, Erbakan showed

his intention to change the conduct of Turkish foreign policy, designating Iran as his first official visit to a foreign country. Flying to Tehran for a three-day visit of a full tour of 10 days, he also visited Indonesia, Malaysia, Singapore and Pakistan. However, what proved controversial was signing a 22-year agreement with Iran worth 23 billion dollars to import natural gas (Jenkins, 2008; 160). The deal with Iran defied the US imposed Iran- Libya sanctions, which would mean consequences for any foreign company that invested over 20 million dollars annually in Iran's energy sector (Jenkins, 2008; 161).

Soon after this incident, Erbakan announced that Muslim countries had a plan to form an alternative to the Group of Seven (G-7) called Developing Eight (D-8), which would involve Turkey, Bangladesh, Iran, Indonesia, Nigeria, Egypt, Pakistan and Malaysia. Because of their commitment to Islam, RP supporters were keen on developing closer links with other Muslim countries. It was believed that the most critical threat to Turkey was from the West, especially Israel. During its short rule, RP's Turkish foreign policy was marked by confusion and instances of identity crisis (Bozdağlıoğlu, 2009).

Carrying his pan-Islamist ambitions into policymaking, Erbakan sought to set a new direction for Turkish foreign policy, focusing on deeper integration with Arab and other Muslim countries. In his foreign visits, he envisioned the creation of 'Islamic Common Market' and 'Islamic NATO' (Hamid, 2004; 114). Such acts suggest that he considered himself the leader of the Islamic world, attempting to integrate all with common economic and security ties. The RP elite also believed that relations with other Muslim nations should not be conducted on Turkishness. This would lead them

to emphasise their ethnicity so that the Ottoman discourse would prove helpful (Dinç, 2006).

During the coalition government between the RP and DYP, RP's policy on further engagement with other Muslim countries led to a disagreement between the coalition partners. For example, while Çiller, the Leader of the DYP, the President and the military were interested in engagement with Western Countries and Israel, Erbakan and other RP officials focused on Muslim countries (Dinç, 2006). In addition, Erbakan made what became to be controversial visits to Muslim countries such as Iran, Libya, Malaysia and Indonesia, searching for greater economic and political cooperation, showing the industrializations in Malaysia and Indonesia as examples for Turkey (Dinç, 2006; 11).

The boiling point came with the appearance of tariqat leaders on TV in their traditional clothing arriving at the Prime Ministry, which led to the Turkish military making plans to force RP and, therefore, Erbakan out of office. What came to be known as the 'soft coup' the plan, unlike in 1980, was not to take direct power but mobilise opposition against the government with the active involvement of the judiciary, academia and media to end the coalition's majority in parliament. On February 28, 1997, the National Security Council took several decisions to "reinforce the secular character of the Turkish state," which they believed was under threat from Islamists (Yavuz, 2000; 21-40).

Besides the Islamist political actors in Turkey, the economic activities of Islamic groups were targeted, both domestically and internationally, to undermine their businesses (Adaş, 2009; 632). Moreover, since they represented the unknown forces

of the Islamist movement in Turkey that became publicised, they were the primary targets of this process. This campaign by the secularists affected the inflows of money from the transnational networks that the Islamist companies had in Turkey and Europe (Adaş, 2009; 633). This campaign and investigation of the assets also uncovered that some of the collected funds had been mismanaged some investments appeared overloaded. This led to extensive distrust and suspicion of the Islamic companies among the investors (Adaş, 2009; 633). As a result, the companies weakened because of this process, and with the financial crisis of 2001, many went bankrupt, with only a few of them surviving.

This period labelled as the ‘February 28 process’ where the military forced Erbakan to resign, has been a significant turning point in Turkish politics. The idea created by the Turkish-Islamic synthesis based on the belief that religion could consolidate the state power had to be abandoned. The military treated Islamist ideas and ideology main as a threat to Turkish security alongside Kurdish separatism. As a result, a ‘soft coup’ took place in February 1997, and the RP was closed down on January 16, 1998.

February 28 also substantially affected the development of the Islamist movement's direction. It showed that a direct, explicit Islamist agenda could not succeed and would face vehement opposition from the military and the secularist circles. Moreover, as often experienced, political party adaptation can be a dynamic process where systemic developments characterised by social, cultural, and economic changes in the country affect mass political behaviour and parties’ response.

The Islamists in Turkey had to live up to this challenge by formulating a new language. This realisation led to the Islamist movement being divided between the

‘traditionalists’ and ‘reformers’. This split was also made possible by the newly emerging socially conservative and economically Anatolian bourgeoisie, who had developed a different worldview than traditional Islamists. The Adalet ve Kalkınma Partisi (Justice and Development Party or AKP) was founded in 2001 by a group that previously belonged to Milli Görüş (National Outlook) as a conservative democrat and economically liberal party.

The founders, who were considered moderating breaking away from the Islamist Virtue Party, defined the party as supporting a free-market economy with minimal state intervention, liberalisation of the political space and conservatism in society (AKP, 2009). The leading cadre of AKP constantly emphasised that they had taken off the ‘Milli Görüş shirt’ and rejected their Islamist background at every opportunity (Yeni Şafak, December 12, 2003). The AKP strongly rejected Islamism as a social, economic, and political project (AKP, 2009).

The February 28 period also pushed MÜSİAD to adopt a position where the organisation distanced itself from Islam. The founding philosophy of MÜSİAD, based on Islamic solidarity, was dismissed on every occasion, arguing that there were no religious considerations when money was involved (Yılmaz, 2012; 104). After the February 28 period, the association supported the Islamic reformists under the leadership of Recep Tayyip Erdoğan, which also included Abdullah Gül and Bülent Arınç (Yılmaz, 2012; 104).

The party's primary constituency is the pious Anatolian bourgeoisie, who have grown in numbers and expanded their influence following the economic liberalisation in the 1980s. This pious bourgeoisie formed a distinct group that controlled the means of

production, combining religious devotion with capitalism and building a new social class whose identity was shaped around the relations of production, consumption and religiousness. Since this devout bourgeoisie has shaped its identity through economic activity compromising religion and capitalism, this created an affection towards the AKP policies and led to their support for the party (Gumuscu, 2010).

3.7 Conclusion

While investigating the historical background of political Islam in Turkey, this chapter has argued that the reforms carried out after the coup made it possible for the Islamists to expand their support and capital base. It was also pointed out that the second generation Anatolian bourgeoisie, who are socially conservative and economically liberal, form the support base of the AKP and have contributed to the party coming to power.

Since the formation of the first openly Islamic party in the 1970s, Turkish democracy has experienced a clash between Islamists and secularists. After the formation of the Turkish republic, the state institutions controlled religion. Because Kemalist principles did not fully spread over the country, this led to an alternative form of Islamic culture, mainly in the Anatolian provinces. This provided the tariqats with the fertile ground to organise themselves and increase their dominance through networking.

The Turkish-Islamic Synthesis introduced by the military after the coup enabled Islamists to create networks and become more visible in the public sphere. This involved the state-building of almost 2000 mosques per year, a vast rise in the number of Imam-Hatip schools and students and Quran courses run by the state. Also, the

neoliberal transformation of the Turkish economy started at this stage. Aiming to use Islam as a counterweight to left-wing ideology, these policies have resulted in the Islamists gaining more influence over the society and having more access to capital and therefore attaining more power. Business groups such as MUSIAD started becoming more influential because of this process.

The coming to power of the Welfare Party had made a tremendous impact on Turkish politics since it was the first time an Islamist party became the largest party in Turkish politics. Turkey experienced an Islamist being the prime minister for the first time. Once in power, Erbakan attempted to address domestic issues and carried out an openly Islamist domestic and international agenda, which further polarised the society.

RP's foreign policy, which had an Anti-Western, Anti-Israel and Pro-Muslim character and called for further integration with the Muslim world and a 'Muslim G8', had domestic implications, helping the party broaden its supporter base. Also, the argument that there would be economic benefits of such a policy as the 'Islamic Common Market' can be considered an attempt to incorporate security, economy and foreign policy, which the AKP also followed after coming to power. Therefore AKP's foreign policy resembled some characteristics of RP's foreign policy with the interlinking of domestic and foreign policies.

This term in power ended as a bitter disappointment for the RP since the secularist elite forced Prime Minister Erbakan out of office. The Islamist movement was targeted socially and economically. As a result, some of the Islamists in Turkey concluded that an outright Islamist agenda challenging the very foundations of the

Turkish Republic would always end as a failure. Also, as part of the neoliberal transformation Turkey had experienced, they would not be a mass party with the protectionist approach that the previous Islamist parties had taken. So a new party was founded on socially conservative and economically liberal values with a party programme that resembled previous centre-right parties in Turkey, and after four months of formation, it rose to power opening a new page in Turkish politics.

Chapter 4

THE DOMESTIC SOURCES OF NEOLIBERAL HEGEMONY UNDER THE AKP

4.1 Introduction

This chapter aims to analyse the domestic sources of the neoliberal hegemony under the AKP rule. AKP has been championing capitalism since it governed Turkey, following policies favouring the bourgeoisie while increasing the pressure on organised labour. These policies have involved privatisation of state-owned industries, de-unionisation of the workers, and prevention of their right to strike. While some argue these policies have helped the economy grow, they have caused more inequality in society and less job security. Despite this, the party has successfully gained the consent of the working class, and this chapter will assess the strategies employed in gaining their consent. The chief argument of the chapter is that the AKP, after 2002, established the hegemony of the bourgeoisie for the first time in Republican Turkey, being the party that enabled the neoliberal hegemony.

The major success of the party is that it manufactured unity between the dominant classes, and it got the active or passive consent of subordinated classes (Akça, Bekmen and Özden 2014, 6). According to research conducted in 2017 by KONDA Research and Consultancy, 22% of AKP voters belong to the working class, as demonstrated below (Konda, 2018).

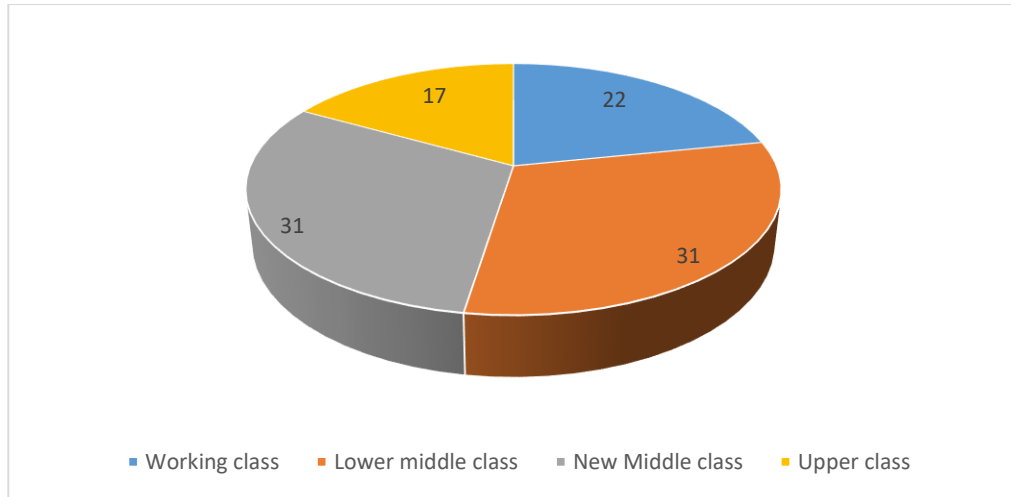


Figure 1: Class distribution of AKP voters

Akça argues that many attempts to establish a hegemonic unity in the 1980s and 1990s had failed because of their exclusionary character and led to further political authoritarianism and even more militarisation of the political arena (Akça, 2014). The AKP overcame the hegemony crisis by engineering unity between the dominant classes and getting the consent of the working class. The party established neoliberal hegemony through articulating religious conservatism and neoliberalism and could generate electoral support. According to Akça, a successful hegemonic project, alongside a strategy of accumulation, needs to create unity among different fractions of the bourgeoisie and voice other socio-political issues not connected to class relations as part of its hegemonic class project (Akça, 2014; 30). He argues that the AKP has succeeded in all these points and has established what could not be established before. Moreover, the party attained the support of both the organised and marginalised sections of the working class (Bozkurt, 2013; 373).

A vital element of the analysis is understanding the mechanisms used by the AKP to establish the neoliberal hegemony in Turkey. This chapter will focus on the economic

growth and urban transformation projects, social assistance schemes, and the symbolic and ideological sources of the neoliberal hegemony of the AKP. Finally, it will argue that these policies contributed to the consolidation of the neoliberal hegemony over society.

4.2 Economic Growth and Urban Transformation

After its formation, the AKP attempted to distance itself from the anti-capitalist and anti-western discourses of traditional Islamists in Turkey and acted much more in harmony with the prevailing Western capitalism. There was no criticism by the AKP towards the current capitalist system itself but towards the West as a civilization in cultural crisis. In contrast, traditional Islamists in Turkey, the predecessors of the AKP, had argued for severing ties with Western capitalism to achieve the goal of national interest (Cosar, 2011; 173). However, later during its rule, as the party received criticism from the West for some of its actions, the anti-western rhetoric was employed by the AKP where there were references to ‘foreign powers’ who were trying to undermine the ‘integrity of the nation’ and ‘causing chaos’ (Çelik and Balta,2020;170).

AKP has considered neoliberal approaches to growth necessary to strengthen Turkey’s international economic position. So, in the party's approach, references to Islamic values and Ottoman heritage do not represent a challenge to Western capitalism and are not considered invalid. Restructuring and creating a liberal economy started in 1980. Since then, although an economic crisis has marked several periods, this has resulted in the transition to an export-led growth strategy and variation of Turkish exports (Altunışık and Martin, 2011; 578). In the export-oriented

economy, one of the strategic goals of the Turkish economic policy has been to create new markets for all those businesses that wish to expand in capacity.

Meanwhile, Turkish exports have become more diverse day by day. Also, new industrial centres have come to the surface in Anatolia. Therefore, all these factors, plus the second generation bourgeoisie's interest, made the Middle East an ideal destination for Turkey (Sak, 2011). Turkey's exports doubled between 2005 and 2010, reaching \$20,975,147 million (Turkstat, 2010). Also, Turkey's trade with the EU doubled, with exports from Turkey to the EU in 2010 at \$52,685,310 million (Turkstat, 2011). The political change in Turkey and its transformed economy because of economic liberalisation under AKP's rule has also meant a change in Turkish policy towards the Middle East and other markets in terms of trade. Within this setting, a key dynamic in the construction sector which, during AKP's rule, has become the leading sector of the Turkish economy.

Like many other governments on the international level, Erdoğan's government used the construction sector as a balancing tool for macroeconomic stability to attract investments and make it easier for private construction firms to operate (Moudouros, 2014). A massive transformation of the urban space during AKP's tenure was part of this. Carrying on the legacy of the centre-right, Erdoğan, just like Ozal, Erbakan and Demirel in the past, is notorious for how much effort he makes to describe the infrastructure projects and information about the roads built as an attempt to impress the supporter base, in a with a discourse shaped by the language of economics. Previously, Turgut Ozal had such a mission in Turkey. During his rule, privatisations were introduced in Turkey, setting up the foundations of the neoliberal order. As a result, AKP has successfully followed the same agenda, adding a religious component

to it and seems to be even more confident than Ozal in visualising Turkey as a global power (Moudouros, 2014; 186-7).

The party's selective democracy, blended with its uninterrupted consolidation of power, has promoted the belief that Turkey is the bearer of a 'historical mission' (Moudouros, 2014; 186). AKP claimed to be the leader of such a mission and argued that the nation was on course to become a global power able to decide in the international arena, which also can be realized with the foreign policy shift towards Neo-Ottomanism, helping to receive consent from the public for the policy change. Economic growth is reflected through consumerism, and it certainly has to be revealed through significant infrastructure projects, mega constructions, modern roads and colossal shopping malls, symbolising an increasing consumerist attitude.

The AKP has strictly followed the neoliberal economic program planned by the previous government and the IMF following the economic crisis of 2001. A significant aspect of neoliberalism in Turkey has been the promotion of "small and medium-size enterprises", the SMEs, because of their peripheral character (Mutman, 2017). Mutman argues that these groups are often criticised because they provide cheap and easy labour for multinational companies like Nike and GAP, serving as a capital accumulation process (Mutman, 2017). Through this process of the vast support the previous governments gave, but especially by the AKP, a new group of large Islamist businesses has emerged. Pro-Islamist capital is part of the new hegemonic bloc comprising the leading economic actors formed by these Islamist groups who lead the working class ideologically and politically. In Gramscian terms, this working class's persuasion into a new hegemonic system was organised through an Islamist ideology (Mutman, 2017).

The second-generation bourgeoisie who carry conservative values is depicted as the idealist supporters of Turkey as a global economic power. They are considered the real ‘sons’ of the nation, waving the flag in different parts of the earth (Taskin, 2013; 297). It becomes a duty of different sectors, especially the labour, not to cause any trouble but to help to facilitate their accomplishments. There seems to be a great success in the reasoning of this idea in inspiring the public to believe that the interests of the business groups are in line with the national interests, enabling a ‘common sense. Nevertheless, as argued earlier, this is an aspect of the neoliberal hegemony that the AKP has built since coming to power. As stated earlier, the AKP gained the support of the first-generation bourgeoisie (sometimes referred to as the İstanbul bourgeoisie) and the second generation bourgeoisie (Anatolian bourgeoisie). These different fractions of the bourgeoisie came together because of the party’s neoliberal economic policies, which have been based on financial capital inflows and financial accumulation strategy, privatisation, the reduction of real wages and subcontracting (Akça, 2014; 31).

AKP’s popularity and essential for its success emphasise economic growth, which became an important determinant for its acceptance (Bozkurt, 2015). However, there are necessary grounds for concern regarding the economy in the long run. Despite generating economic growth, the Turkish economy has mainly relied upon short-term capital inflows instead of long-term investments that could yield revenue in the future and thus represent a vulnerable character (Bozkurt, 2015). While the total net capital inflows were about 10 billion dollars in 2003, this rose to over 55 billion dollars in 2010 (Bozkurt, 2015). Capital inflows helped Turkey finance its growing account deficit and, as a result, the cost of Turkey’s 10-year debt increased to 10.45 per cent

(Bahçe and Köse, 2013; 7). However, this strategy has not considered the risk of environmental disaster, the unemployment it has created or the damage caused to the population's quality of life.

Also useful for the AKP are the anti-democratic laws of the current constitution, introduced by the army in 1982 and still exist today. In 2010, the AKP held a referendum in Turkey, giving it the power to rewrite the current constitution, although many repressive features were reserved. The year after the referendum, AKP won another electoral victory consolidating its domestic hegemony, collecting almost 50 per cent of the votes cast. After this triumph, the regime that the AKP had created became more authoritarian and socially conservative (Yörük and Yüksel, 2014; 109).

According to the Ministry of Labour and Social Security registers, unionised labour is just over two million out of fourteen million workers (MOLSS, 2022). This anti-democratic approach by the AKP has been making it hard for the labour movement to organise itself because of a deepening identity divide that blocks their attempts to create a united front. As a result, AKP has wholly ignored the organisational rights of the labour. In modern democracies, trade unions can protect their organisational and ideological autonomy from the state. However, this is not currently the case in Turkey because of heavy government involvement in trade unions. The AKP government puts pressure on blue-collar workers and public servants to quit their unions and join the pro-AKP ones (Hoşgör, 2015, Keyman and Gümüscü, 2014).

The conservatives are mainly benefiting from this since the pro-AKP unions stand against militant unionism and consider themselves as part of the dominant group, which is the Sunni Turkish majority. For the neoliberal hegemonic appeal to continue,

the ability to gain active consent through material concessions and exercise intellectual, moral and political leadership was necessary. Also, this neoliberal hegemony presupposed continued economic development. The global financial crisis starting in 2008 proved the first test since the initial growth process had been disturbed. The AKP government received criticism from bourgeoisie groups for downplaying the global crisis and failing to deliver a comprehensive economic solution to overcome the recession (Hoşgör, 2014; 215).

A tangible illustration of how domestic hegemony is sustained can be seen in how the Housing Development Administration of Turkey (TOKI) organizes space. Controlled by the Prime Minister's office, it administers the construction of new buildings such as mosques, large shopping malls, and expensive residential complexes (Bozkurt, 2015; 78). Either governmental or private companies perform the construction, and TOKI has the advantage of being exempt from taxes (Çavuşoğlu and Strutz, 2014; 142). As part of TOKI's mission and with the help of AKP-led municipalities, cities of Turkey and especially metropolitan areas are subject to an extraordinary degree of urban renewal (Tepe, 2013; 25). As a result, the TOKI has built close to 1 million houses (TOKI, 2021).

Ideally, urban renewal projects would look to increase the quality of the buildings in *gecekondus* (shanty towns) and reinforce their resistance to earthquakes. However, in Turkey, the projects are planned by party-run institutions and given out to construction companies with close links to the government (Tepe, 2013; 25). Compared to other capital sectors, the construction sector seems to take a more concrete form since society can more easily recognise the outcomes. It quickly becomes a tool of

ideological hegemony and confirmation of the ongoing transformation, which is helpful for AKP to receive consent for its rule.

Also, the construction sector is considered an expression of ‘genuine-national capital’ through which grand projects of the nation emerge (Moudouros, 2014; 187). Without a doubt, it can be said that during the AKP rule, the Turkish construction sector experienced a golden era. Between the years 2004-and 2007, the construction sector’s growth rate was the highest of any other sector, amounting to 12 per cent (Balaban, 2012; 19-26). However, party-controlled institutions usually decide on projects with little or no contribution from the locals and create income for pro-AKP contractors and construction companies (Tepe, 2013; 25). Gürcan and Peker also argue that the creation of TOKI has increased the AKP-led Islamic capitalists since most contractors are connected to the party’s Islamic circles (Gürcan and Peker 2013, 76).

Of course, the neoliberal policies of the AKP were not implemented without resistance. Many protests took place against the privatisation of state-owned industries, the closing of factories, people being evicted out of their homes for urban transformation projects and the destruction of natural sites. On 31 May 2013, a small-scale local protest against an urban renewal project aiming to destroy Gezi Park in Taksim, Istanbul, grew into a sudden countrywide uprising (Ercan and Oguz, 2015; 114). It only took a few weeks before 2.5 million people were marching on the streets of Turkey with the famous slogan ‘everywhere is Taksim, everywhere is resistance, protesting the AKP government (Ercan and Oguz, 2015; 114).

This can be considered a protest against the transformation of the public sphere, nature and everyday habitat for capitalist purposes and a protest against the conservative

Islamism of the party in power, AKP. We can also read the Gezi resistance, like the global wave of uprisings centred in countries around the Mediterranean. These were mainly reactions to the capitalist transformation of societies and the rise of authoritarian states. With the Gezi resistance, it was a reaction to a plan which aimed at transforming a public park into a shopping mall, a mosque and a historic army barracks.

The protesters were mainly from the middle class in Turkey. Some were politically underrepresented in the protests belonging to the working class, especially industrial labour. As argued earlier, during AKP rule, the working class was de-unionised because of the neoliberal policies that followed; wages became lower, the workload became more intense, social benefits had eroded, and workers' debt increased. Upon these developments, the political participation of workers was eliminated, and they could not express their opposition (Yörük and Yüksel, 2014; 111, Ercan and Oğuz, 2015; 114). Therefore, it becomes essential to explore the political configuration of the demands that have been expressed by protesters considering the process of capital accumulation in Turkey. Protests against low wages, poor working conditions, or labour flexibility were already present before the Gezi uprising. Neoliberal policies had already hurt certain parts of society, creating a backlash. Neoliberal hegemony, established by the AKP despite all the attempts to be legitimised by the conservative religious values of the society, receives fierce opposition from those affected by its policies.

By offering low-interest loans for housing, AKP can establish and preserve hegemony over its poorer constituency (Bozkurt, 2015). This also helps the party generate their consent since it portrays itself as the protector of the poor segments of society. Despite

this, the transformation of the cities is presented as projects to improve human life as a means to better housing and better living standards for those evicted out of their neighbourhoods. These groups, usually from the working class, are made to feel indifferent to society as anyone could own a house, and the state provides them with the opportunity to do so. These groups feel as if their interests align with the ruling elite. Instead, they are left with mortgages to pay for many years and usually struggle to do so.

The Soma tragedy leading to the death of miners also shows the specific ways the AKP sustains the neoliberal hegemony domestically through economic, ideological and authoritarian tools. Thanks to this neoliberal hegemony, the business groups in Turkey operate almost with no state control and, as a result, offer their support to the AKP. For example, the management in Soma threatened to fire the workers if they declined to attend AKP rallies (Ercan and Oğuz, 2015; 119). This can be labelled an example of coercive measures over the working class when consent cannot be obtained.

Even after the Soma tragedy, when asked by the press why the mine did not have a safe room provided with oxygen masks, the owner of Soma Coal was confident enough to say that the company had aimed to set one up within the next few months, but there was no legal obligation for it to do so (Ercan and Oğuz, 2015; 118). Such cases illustrate how pro-AKP businesses operate without pressure and show how the domestic neoliberal hegemony is sustained. While the AKP government has been having peaceful relations with these advantaged businesses, its increasing conflict with some big businesses who remain critical of the party's deviation from the market can be witnessed. For example, the big bourgeoisie who had not agreed to give their

total commitment to the policies of the AKP were marginalised and, at certain times, were subjected to penal tax inspections (Buğra, 2017; 53).

Although the neoliberal hegemony did not end immediately because of the favourable conditions that businesses operate, such developments may harm the unity of the dominant classes and prompt an intra-class conflict between the big versus medium and small-scale bourgeoisie, between those capital groups with a conservative Islamic identity and the urban-based, secular capital groups (Akça,2014; 45). Also, such a period of crisis leads to the mobilisation of different working and middle-class fractions, which are likely to be affected by these neoliberal policies since they are subjected to informal, uncertain flexible terms of work (Akça,2014; 45).

4.3 Social Assistance Schemes

The debate around the transformation of the social security system is closely related to the neoliberal restructuring of the economy. This approach heavily advocates the state's retreat from social welfare, allowing the market to be expanded and regulated, and cannot understand the resistance to these structural reforms (Molyneux, 2008). After AKP's rise to power, the welfare policies of the Turkish state were also affected. As a result, the social security and health care system were subject to radical restructuring.

Because of the 2001 economic crisis, there has also been an increase in public expenditures on means-tested social assistance in Turkey. Anyone who can show that their income and means are below the established limits could receive the benefit (Yazıcı, 2012; 109). Bugra and Candas argue that the latter reinforces relations between the political authorities and the poor segments of society (Bugra and Candas

2011). Spending by Islamic charity organisations and local governments has become possible because of the legal arrangements made by the government. Municipalities and NGOs acted like charities under this new welfare regime, and social assistance mechanisms were reshaped.

AKP, in its first term in power from 2003 to 2007, used 54% of the total resources on social assistance and 23% on conditional cash transfers, which were made as monthly cash transfers to low-income families for welfare support (Yıldırım 2009, 98). Also, 7.5 million people received social assistance for 6.1 million TLs (\$4.7 billion) between 2003 and 2005 (Yoruk 2012, 103). Social expenditure increased from 12 per cent in 2001 to 17.8 per cent of the GDP in 2013 (Kayadereli & Sahin 2014; 65).

Social policies have been beneficial instruments for the AKP government to direct its support base towards a neoliberal understanding. In its first ten years in power, the AKP government has followed a social policy reform where constitutional, institutional and legal changes have been made. AKP government, through these changes, made the labour market more flexible (Cosar and Yegenoglu 2009, 39). Also, the AKP government has attempted to tackle poverty caused by the neoliberal adjustment policies by organising faith-based charity associations and merging Muslim ethics in social assistance schemes.

Private charity organisations established with an Islamic-political, moral vision have increased substantially during the AKP government. They have received the title of “Social Solidarity and Mutual Assistance Associations” and have been permitted to collect money without prior approval from the state authorities (Gocmen 2011, 159). AKP’s approach to increasing the welfare of the citizens is shaped by neo-liberalism,

what Coşar and Özman have labelled as ‘neoliberal polity with a Muslim face’ (Coşar and Özman, 2004; 66).

One of the significant changes came in 2003 when the ‘Social Fund’ was renamed Social Solidarity and Mutual Assistance (SSMA) Ministry, and the SSMA launched local offices throughout Turkey (Gocmen 2011, 159). Both the NGOs and municipalities that follow Islamic ethics on charity work for poverty reduction have successfully provided for the needy, especially in-kind assistance (Bugra, 2007; 47). The municipality-based social assistance schemes involve using Islamic rhetoric in their practices, which often are not transparent in their use of public funds. Besides this, some favours are provided by the local governments for the business people who donate to the municipality’s charity fund (Bugra, 2007; 47).

Transparency is also another issue here. This lack of transparency on the budget has promoted relations based on patronage at the local and national levels. Giving donations to municipalities is encouraged among Islamic business circles through tax evasions and similar incentives. Also, these businesses are rewarded with public and privatisation bids, which has been described by Yucesan- Ozdemir (2013, 10) as specific bribery legalised under the name of charity in Turkey. Religious business groups such as MUSIAD, TUSKON and ISHAD (Business Life Cooperation Association) have been inspiring their members to donate to Islamic charities and give their zakat repeatedly and sadaqat to either such organisations or municipalities (Morvaridi, 2013).

The participation of such businesses in the social assistance processes has produced two outcomes: first, the number of donations kept increasing and reached a higher

number of people cooperating with the local government officials. Second, the new Muslim bourgeoisie built mutual trust with the government and, as seen in many examples, had a more advantaged position to reach investment benefits and appreciated being treated specially by the government (Morvaridi, 2013; Apaydin, 2015).

As often seen in the neoliberal mindset and practice, food insecurity has been detached from any class or social movement. Introducing food banks has contributed to state responsibility not being discussed on the issue, despite being ratified in international conventions as the state's duty to undertake the human right to food. This has allowed the AKP government to create interdependence between various groups. For example, a poll by Odak Araştırma had shown that the AKP received most of its votes from housewives, then farmers, blue-collar workers, and the unemployed (Odak Araştırma, 2006). Many analysts consider this support by these groups because of the social assistance schemes (Bozkurt, 2013; 81-82, Yıldırım 2009, Öniş 2012 and Eder 2010).

Özdemir argues that social policies can lessen the effects of neoliberalism for those who are suffering from such policies and even lead to neoliberalism becoming more tolerable (Özdemir,2020;248). Consequently, AKP's social assistance schemes can be understood as a harmonising factor for its neoliberal economic agenda. AKP's understanding of social policy provides a helpful insight into how Islamic concerns, such as communitarianism and charity-based social assistance, can be merged and how this can show modes of neoliberal development in the Middle East and contribute to cultural hegemony. Moreover, the party's social policies seem to reinforce the policy of charitable donation, which leads to the state being engaged with different

social forces in a circular relationship with local governments, charity organisations and business groups that have close links to the party.

In the Turkish version of poverty reduction, charity distribution as a form of social assistance has been one of the most critical political strategies of the AKP in gathering support from the working class. The Islamic references are central to AKP's political outlook, and the highlighting of Islam and neoliberalism characterises understanding of charity. These two concepts combined offer powerful ground to the usual practice of underplaying the responsibility of the political establishment in tackling poverty (Buğra, 2007; 46). Nevertheless, this charity distribution does not automatically turn into support for the party from the whole of the working class, as the AKP expects them to be. While consent is achieved from part of the working class, some have to abide through coercion. Therefore, the suppressive and political tools also contribute to this.

4.4 Symbolic and Ideological Sources of Neoliberal Hegemony

The AKP has also used symbolic and ideological tools to establish domestic hegemony. This has involved a process where the party has attempted to foster a set of beliefs and values that describes its vision of the society and present them as the shared values of all. As discussed earlier in chapter two, in its general definition, 'common sense' means the unclear set of held assumptions and beliefs common to any society. In addition, Gramsci argues that the bourgeoisie developed a hegemonic culture that spread around its values and norms, making it all the 'common sense' values (Gramsci, 1999; 625).

In the same fashion, the AKP has fashioned and consolidated a new nationalistic language in the last years, referring to the party's journey of reconfiguring concepts of nation and nationalism (Saracoglu and Demirkol, 2015; 302). This means what is good for the 'nation', and 'national interest' gets reconfigured by those in power, and any opposition to this can be hostile, making the neoliberal hegemony in Turkey unchallenged. As often seen in the past, it is widespread where the national identity has been constructed, and nationalism has been nurtured by an 'other' or 'outsider' being created, portrayed as a threat to the nation. This new understanding of nation and nationalism with a populist discourse has helped the party establish and merge its domestic hegemony and legitimise its Neo-Ottomanist foreign policy. This new nationalistic understanding has been politically significant and adapted as the official rhetoric in the state discourse. As Saraçoğlu and Demirkol argue, the AKP represents a distinctive form of nationalism than the others in Turkish political life (Saracoglu and Demirkol, 2015; 306). AKP's conception of 'nation' and 'national interests' has diverged from the Kemalist form of nationalism, the dominant and official ideology, until the AKP consolidated its power.

As part of its attempts to merge its hegemony, AKP's nationalism is based on a strategy where specific segments of society are repeatedly pushed out of a nation expressed through its conservative Islamic values (Saracoglu and Demirkol, 2015; 316). Through this strategy, AKP has placed its voting base alongside those marginalised groups of the society who fall short of its definition of the nation, creating a distinctive political identity for its purposes, declaring that all its attempts to maintain power are legitimate and keeping its electoral base united against those 'threats'. When nationalism is systematised to become the state ideology, it shapes

the 'ethical' and political relationship between the citizens and the state. In the Gramscian sense, the aim is to receive consent or create submissive citizens to those in power and coerce them if they do not.

The key argument of such a discourse is suspicion towards 'foreign powers' who are always the main reason for chaos and are attempting to undermine the 'integrity of the nation' (Çelik and Balta, 2020; 170). Such discourse proves useful for populist governments when they do not deliver on their promises to the 'people' (Çelik and Balta, 2020; 170). Çelik and Balta argue that the people in this context mainly represented the Sunni conservative majority since this group is the party's core support base (Çelik and Balta, 2020; 173).

This new nationalist project offers the AKP symbolic and instrumental ways to establish long-lasting bonds between the state, party, and society, contributing to the neoliberal hegemony. This is very useful when it needs to justify its neoliberal economic policies and when it needs to plan a new discourse on foreign policy. The party's conception of nationalism and its symbols is reproduced in social relations and not state discourse or the rhetoric of party officials. Instead, it strategically uses 'millet' to show how AKP understands national will. The 'millet' is considered a matter of common traditional values and is an effective instrument of social unity (Moudouros, 2014; 183). It becomes the sole component through which the basis of shared values are formed and, therefore, the only provider of reform (Moudouros, 2014; 183).

However, this unity has to put aside class differences in society. It becomes a concept that suggests and inflicts upon a politically undifferentiated, homogenous group

whose influence has been unfairly disregarded. It is assumed that with the help of the AKP, it won back the power to claim its historical role. The party presents itself as the voice of the classless 'millet'. Therefore, the neoliberal hegemony supported by the AKP involves the construction of the nation as a homogenous unit. Such a construct is helpful in hiding inequalities in a neoliberal order, serving the strategy of removing a class of based politics (Saracoğlu 2011, 42). It is also helpful for the AKP to differentiate itself from the neoliberal hegemony prevailing in Turkey. In the typical neoliberal populist fashion, it considers itself distinct from the 'elite' in power and constantly makes statements such as 'we are here for the millet.

Until the coup attempt in 2016, the millet's political participation was limited to voting processes, such as elections and referendums. Instead, their will is solely expressed through their vote, which according to the AKP, is enough to justify the whole democratic process. This gives AKP to perfect platform to portray itself as the single voice in society and disregards any opposition to its policies, arguing that everything it does is for the well-being of the millet in line with its neoliberal populism. Another crucial point to make here is that the elevation of the majority arises out of the electoral process, giving the ruling AKP the chance to apply a policy based on the confrontation between 'good-bad' and 'fair-unfair' (Moudouros,2014; 184).

In Turkey, we can observe AKP's policies towards the working class, with its constant attempt to distance this group from any ideological attachment. The working class is expected to work and produce for the 'nation' to contribute to a more 'powerful Turkey' and not question industrial relations and the neoliberal transformation where their rights are being taken away. As argued earlier, the AKP has formulated its

strategy based on Islamic-conservative values, which have been transformed into the status of ‘national values in the populist fashion. This hegemonic strategy has made it possible for the government to label rebellious groups of society as internal enemies and domestic threats to the national will and the accomplishment of national development goals (Saracoglu and Demirkol, 2015; 316).

The role of Imam Hatip schools in contributing to Sunni Islam dominance is also worth mentioning here. At the high school level, the school's curriculum comprises courses on the Quran, theology, Islamic jurisprudence, hadiths (Prophet Muhammad's religious sayings), preaching, and other subjects (Eligur, 2010; 125). Öztürk (2018) argues that Diyanet (Directorate of Religious Affairs) can be listed among administrative institutions which have become increasingly politicised during the AKP period, specifically from 2010 onwards and has issued many statements concerning gender issues, social media and political economy, which are entirely in line with AKP's hegemonic discourse. The role of Diyanet appears to be based on a strategy where a religious authority legitimises the discourse of AKP for domestic affairs, which helps to tone down criticism and silence the opposition (Öztürk, 2016). Tuğal (2009) also shows how mosques are also used to contribute to Islamization and are the main area for the Islamist movement to produce Islamic discourse. They denounce secularist officials, spreading the belief that only practising people and, therefore, politicians are fit to rule.

Narrative control has been the usual conduct of politics in Turkey, but after the 15th July coup attempt, the post-truth dimension became more visible. The AKP filled the national media with its truth claims, and the AKP-controlled media only published materials that the government had circulated (Taş, 2018; 8). The constant boom of

such conspiracies created a feeling of dizziness among the public and made it much harder to comprehend the 15th July events. Any critical stance or negative hint concerning the government's discourse was blamed and investigated.

The trauma generated by the coup attempt was used to re-design the state apparatus and society. OHAL (State of emergency) was declared on 20 July 2016 by the cabinet, and more were to follow, deterring any opposition to the government. The suppression was not just directed toward those who had a role in the coup attempt but also at the whole Gülen community, Kurds, and all those critical of the government. A year after the coup attempt, 169,013 people faced legal proceedings for terror links, and 50,510 had been arrested (Hürriyet, 2017). Eleven billion dollars worth of corporate assets were also apprehended, making it the largest wealth takeover in the country's history (Taş, 2018; 14). The regime of common sense employed by the AKP blocked any meaningful discussion about the coup attempt and presented the party with the opportunity to transform the regime into a more authoritarian one.

4.5 Conclusion

This chapter analysed the strategies used by the AKP government to establish neoliberal hegemony. These have been labelled as economic growth and urban transformation, social assistance schemes, and the use of symbolic and ideological sources. These policies have helped the party get the working class's consent and merge the neoliberal hegemony established in Turkey.

Economic growth in Turkey has been achieved at the expense of heavy privatisation and de-unionisation of the workers, Turkish society becoming more unequal and having less job security. The growth has been presented as benefiting all of those in

society, and the AKP has presented itself as a protector of the poor to get the electoral support of the working class. As a result, the Turkish economy runs on fragile terms, with the construction sector booming to create a macroeconomic balance.

The urban transformation has destroyed the environment and has led to many people, especially the working class, being moved out of their neighbourhoods with the promise of better housing. Low-interest loans have been offered, and as a result, the construction sector has boomed, a process led by the TOKI administration. Since society can easily recognise the outcomes of the urban transformation, it has contributed to neoliberal hegemony.

The social security and health care system has been redesigned. With the money mainly transferred to charities closely linked to the government, promoting Islamic values through these cash schemes has been possible. Lack of transparency has meant promoting relations based on patronage at the local and national levels.

AKP's new conception of nationalism built on a religious-nationalist platform with a populist discourse has made the party unquestionable in party policy. The nation has been narrowed down to all those who commit to the government's big mission'. Any opposition to the government has been labelled as 'hostile' and 'external'. Any class, national and religious differences have been disregarded in creating this new so-called 'national unity in the populist fashion. It has shaped the 'ethical' and political relationship between the citizens and the state. It worked in favour of the AKP by developing the consent or submission of the citizens to the existing establishment and political rule.

The neoliberal hegemony supported by the AKP involves the construction of the nation as a homogenous unit. Such a construct of neoliberal populism is helpful in hiding inequalities in a neoliberal order, serving the strategy of removal of a class of based politics. By constantly referring to internal and external ‘enemies’ and ‘threats’, it has disregarded any differences in the society and considered Turkey a nation under one enormous umbrella, making its neoliberal hegemony unquestionable.

Chapter 5

AKP'S FOREIGN POLICY 2002-2018

5.1 Introduction

In the AKP's first term in power, foreign policymaking was dominated by the Cyprus dispute, the Iraq war, and the EU accession process. During its first period in power, the party worked towards EU harmonisation packages, followed by the EU accession process. The party was also active in the Cyprus dispute, supporting the UN peace proposal entitled 'Annan Plan', an attempt to unite the island's communities before Cyprus acceded to the EU on 1 May 2004. In brief, in its first term in government, the party attempted to work in harmony with international actors.

However, the post-2010 foreign policy of AKP proved to be different. The party used Sunni Islamist values after the Arab Spring to establish control over countries undergoing a transition. Therefore, a need arises to distinguish between two sub-periods of AKP's foreign policy. The first sub-period ran from 2002 to 2010, and the second sub-period started after the Arab Spring in 2010. Therefore, this chapter will mainly focus on the foreign policy activities of the AKP in the Middle East and North Africa since these were the regions that experienced the Arab uprisings and their aftermath. This chapter will study the foreign policy of the AKP between 2002 and 2018. It will be composed of two sections. First, it will focus on the 'Strategic Depth' doctrine of Ahmet Davutoğlu, which is crucial for grasping the roots of the Neo-

Ottomanist approach that the party has advocated. The second section will discuss the repercussions of this policy in the Middle East.

The chapter aims to uncover the foreign policy-making motives, the hegemonic discourse of the AKP and how these policies have resulted in practice. This will help us examine how the party's foreign policy strategies have contributed to the neoliberal hegemony in Turkey. Therefore, the chapter will examine how foreign policy has been employed to develop the neoliberal hegemony to answer the research question: How does AKP's foreign policy contribute to the consolidation of neoliberal hegemony in Turkey?

5.2 Foreign Policy Strategies and Debates

AKP leaders had devoted relatively little attention to defining their foreign policy before November 2002 since the main agenda concerned the bid for EU membership. The party aimed for mass support and focused on domestic issues, notably the economy. These were the primary determinants of most voters' choices; foreign policy came lower down the list of priorities (AKP, 2002). The economic crisis of 2001 paved the way for the rise of a new party with an anti-establishment image, and the AKP leaders used that image to appeal to a broad section of voters.

Ahmet Davutoğlu, who became a foreign minister in 2009, was the man behind the scenes in planning the foreign policy, as the foreign policy advisor to both Erdoğan and Gül. After the AKP came to power, Davutoğlu gave further clues to his thinking by suggesting that, rather than acting as a mere “bridge” between the West and the Muslim world, Turkey should, as a “central country”, break away from a “static and single-parameter policy” and become a “problem solver” contributing to “global and

regional peace” (Davutoğlu, 2008; 79). His proposals have been criticised because they exaggerate Turkey’s geopolitical, cultural, and historical position (Yavuz, 2006; 293).

The traditional Republican foreign policy-making establishment had embarked on national security and military readiness, with a highly cautious approach towards Turkey’s Middle Eastern neighbours. The AKP has abandoned this approach based on defensive security and cautious, hesitant approaches of the Kemalist understanding rooted in the foreign ministry and military (Fuller, 2008; 17-18). Rather than being involved in disputes, the AKP insisted Turkey should reach out to its neighbours: Greece and the Balkan countries, Russia and the former Soviet republics, and the central Middle Eastern states. The AKP government has tried to employ ‘soft power’ tools based on economic, political and cultural considerations, especially while dealing with its Middle Eastern neighbours (Oguzlu, 2007; 92-95). Therefore, the new political elites of the AKP perceived Turkey’s hybrid identity and Ottoman past as an asset in foreign policy and believed that Turkey was destined to play the role of middle power and a mediator, having a special status of ‘exceptionalism’.

We can witness three guiding principles that appear in AKP’s first term are a foreign policy based on Europeanization, which has helped to make the government appear more legitimate domestically and internationally, the ‘zero-problem with the neighbour’s approach of Davutoğlu for eroding conflicts and the attempt to develop commercial and political ties with the regions around Turkey, especially the Middle East. In its first term, the party has used this transformation and EU democratisation process to have consistent political support and legitimise itself domestically and globally (Altunışık 2011, Gumuscu and Sert 2009, Kirişci 2009, Robins 2013, Öztürk

2015). To put it differently, this transformation and electoral ambitions have been engaged in a mutually supporting relationship. This has led to continuous support for the AKP and its domestic hegemony (Keyman and Gumuscu, 2014; 74, Saraçoğlu and Demirkol, 2015; 302-303). This period helped the AKP receive support from liberal circles and convince the army to voluntarily abandon its power for domestic reforms. AKP, in this period, was seen as a party of democratisation and economic success.

With the re-election of the AKP in July 2007 for a second term, Turkey witnessed a substantial change to its foreign policy and geopolitical vision (Robins, 2007; 291). Instead of the traditional image of Turkey as a “bridge” between East and West, alternative conceptions of Turkey’s position in the world system have emerged with terms such as “key state” and “pivotal state” (Fuller, 2008; 122-143), “regional power” (Keyman, 2005;94), “trans-regional actor” (Martin, 2009;3-6), “middle-sized power”, “medium power” (Oran, 2008;1) or “middle power” (Hale, 2008;34-47).

Turkey’s role as a soft power (Oguzlu, 2007; 81-97), which was aimed to choose co-optation measures over coercive measures and attract itself to the Middle East, has been underlined by others. For instance, Öniş and Yılmaz describe Turkey’s new ‘foreign policy activism ’ regarding its pivotal role as a benign regional power based on the use of “soft power” resources (Öniş and Yılmaz, 2009; 13). The new Minister of Foreign Affairs Ahmet Davutoğlu declared on 2 May 2009:: “Turkish foreign policy has changed away from crisis-oriented to being based instead on ‘vision’, allowing Turkish policymakers to identify potential crises before they erupt and devise policies to tackle them” (Aras, 2009; 201). This new policy meant that Turkey would now adopt new tools and instruments in its attempt to eliminate sources of

conflict with neighbouring countries in the Middle East, Caucasus and Central Asia, taking upon the role of an active actor in the region.

Turkey's foreign policy witnessed changes in Armenia, Syria and Iraq. Former President Gül visited Armenia in 2008, considering a move toward rapprochement. In 2009, the two countries signed a protocol to re-open their joint border as an essential step in normalising relations (Grigoriadis, 2010; 7). Also, the employment of soft power such as economic tools in foreign was visible as Turkey became an important trading partner for Georgia, Azerbaijan and Iraq and a grand investor in these countries. Iraq was one place which received a vast sum of investments in major projects, where over 80 companies invested around US\$1.5 billion in the country (Müftüler Bac, 2011; 282).

AKP's coming to power has been most visible where increasing the role of domestic preferences in Turkish foreign policy can be discovered. The transformation in Turkish society concerning the newly emerging domestic actors in politics impacted the party's policymaking. (Altunışık and Martin, 2011; 577-578). Since the AKP came to power with the claim of representing these groups, which had been marginalised since the establishment of the Turkish republic, it was the representative of change. The concept of change became rooted in the party's foreign policy and policies toward the Middle East. The AKP's core leadership view of the Middle East differed from the traditional perspective. This led to AKP leadership developing ambitious policies toward the region, in line with the strategic depth doctrine of Davutoğlu in an attempt to satisfy its core supporter base and provide this group with more significant economic benefits.

A foreign policy that used to be based on the state bureaucracy has transformed into one where different actors in civil society are involved, such as think-tanks and also economic actors who represent the interests and desires of the newly emerging economic groups from fastly transforming Anatolian provinces (Keyman & Gumuscu, 2014;73). It was also argued that the Islamic mentality of the AKP cadre was shaping Turkey's foreign policy, and the traditional Western-oriented foreign policy of the Turkish Republic was disappearing (Özpek & Demirağ,2012; 119).

With the joint effort of neo-ottomans, neo-liberals and political Islamists, Turkey's Ottoman past became a cultural reference point, serving the neighbourhood's hegemonic ambitions (Aydın, 2019; 373). Through references to the unity under the Ottoman Empire in the past, the territories around Turkey became areas of impact. As opposed to the traditional foreign policy of Turkey, rhetoric based on domestic political calculations shaped the behaviour and priorities of Turkish foreign policy. However, an approach based on action became visible during this period. Turkey became involved in the conflicts and found itself at a difficult crossroads for decision making. The foreign policy has furthered AKP's popularity, becoming an effective tool for gaining the upper hand in domestic politics (Balta, 2018; 15).

AKP has also championed the causes of Islamic countries through international Islamic solidarity, being outspoken on many issues (Yavuz, 2006). This discourse proved helpful in expanding Turkey's trade patterns and increasing its regional markets' economic participation in the Middle East. Some policies of AKP, such as its close relations with Iran, its open support for the Palestinian statehood and its attempts at developing closer ties with Russia and Balkan states, have been labelled as neo-Ottomanist (Yavuz, 2016, Murinson, 2006).

During the Ottoman Empire, Ottomanism was imposed from top to down to create a single Ottoman identity through the rule of law and with the promise of treating all Ottoman citizens equally in terms of rights and privileges, as long as they offered their loyalty to the state. The principal goal of such a policy was to stop ethnic nationalism from spreading and curd the secessionist movements by acknowledging the multi-ethnic identities within the Ottoman Empire territories (Yavuz, 2016).

According to Volfova, AKP'S neo-Ottomanism is based on a neoliberal understanding that aims to make Turkey economically stronger by promoting regional free trade. Besides economic pragmatism, the neo-Ottomanist policies are also driven by Islamic ideology. There are constant references to a common history, a shared culture, and geography between Turks and the Muslim world (Volfova, 2016). However, it has never been publicly acknowledged by Davutoğlu or the AKP's leading cadre that Turkey was practising neo-Ottomanism in the Middle East. According to Yavuz, AKP's neo-Ottomanism is Islamist and Anti-Western and exemplifies soft power where culture is used for regional cooperation (Yavuz, 2016).

Turkey has used its Ottoman heritage and collective memories with the regional countries to expand the market for Turkish exports, influencing the foreign policy choices of these countries (Yavuz, 2016; 460). In this neo-Ottoman outlook, Turkey uses soft power tools –political, economic and cultural- within formerly Ottoman areas and in regions where Turkey carries strategic interests (Taspinar, 2009; 15). In this new foreign policy setting legacy of the Ottoman Empire as a 'great power' is incorporated together with a new characterisation of Turkish national and strategic identity (Taspinar,2009). According to Demirtaş, what aspect of Neo-Ottomanism is to be emphasised depends on the case (Demirtaş, 2012; 241)

Some argue that Neo-ottomanism is used to create a historical consciousness about remembering the past related to understanding and thinking about the current situation. Cultural, literary, and cognitive factors contribute to the formation of this consciousness (Yavuz, 2016). Using the neo-Ottomanist worldview, the AKP attempts to realign Turkish nation-building through the Ottoman legacy instead of the constitutive components that the current Republic of Turkey was founded (Yavuz, 2016; 444). During the presidency of Turgut, Özal Neo-ottomanism was also employed, becoming a crucial part of his political and social vision (Laçiner, 2003). Also, the Refah Party shared a vision of Neo-Ottomanism that followed the legacy and was supported by some right-wing political elites (Yavuz, 1998). The RP leadership believed that in addition to uniting under Islam, Turkey would be the leader of Muslim countries and act as their protector, just like the Ottoman Empire did, and regarded this belief as a simple fact (Dinç, 2006).

The term relates to how Turkey sees itself and the world around it. Besides influencing and shaping the values, goals, and ethics of Turkey's behaviour domestically and externally, it is also an essential element of how national identity is defined. Therefore, it is about constructing a new national identity and how this shapes the foreign policy by considering historical, cultural and religious links with the former territories of the Ottoman Empire (Yavuz, 2016). Also, in AKP's Neo-Ottomanism, we can witness how state power is used to benefit the dominant class, bringing economic benefits to these groups by eliminating conflicts with all neighbours of Turkey and achieving market expansion, increasing Turkish exports.

5.3 Strategic Depth Doctrine

The Strategic Depth Doctrine is based on the critical assumption that what determines a nation's importance in international relations is based on its geostrategic location. For Davutoğlu, Turkey's location is crucial since it has control of the Bosphorus geopolitically and, therefore, can play an important strategic role (Davutoğlu, 2000). The doctrine also suggests that Turkey should compensate for its ties to the West by forming diverse alliances, giving much freedom in terms of action and influence both regionally and globally. Finally, Davutoğlu argues that despite being ridiculed by Kemalists and seen as blocking modernisation, the Ottoman Empire is considered by many Turks as a positive legacy. Although the robust framework of Davutoğlu's strategic thinking is focused on geopolitics, it is complemented by liberal elements such as soft power, conflict resolution and how 'win-win' solutions can be achieved.

Davutoğlu considers Turkey to be a Middle Eastern, Balkan, Caucasian, Central Asian, Mediterranean, Gulf and Black sea country and argues that she can exercise power in all these regions and assert a role in a global strategic order. Besides this, he disagrees with the perception of Turkey as a bridge between the Islamic world and the West since this would downgrade Turkey's status and would rather mean the promotion of the strategic interests of other countries (Grigoriadis, 2010; 4).

Instead of allowing other countries to use Turkey to pursue their strategic interests regionally and globally, Davutoğlu argues that Turkey should plan a proactive policy corresponding to the historical and geographic depth that its Ottoman heritage has enlarged. Turkey should make the most out of its soft power potential to achieve this goal. Davutoğlu's vision is criticised as being based on Neo-Ottomanism since most

foreign policy activism in Turkey takes place in former Ottoman territories (Aras, 2009;131). Davutoğlu's approach seems to be one where national boundaries do not matter, and geopolitical obligations push Turkey to return to former Ottoman Empire territories. According to Davutoğlu, such potential is because of the country's historical and cultural proximities with its neighbouring regions and its democratic institutions and efficient market economy (Grigoriadis, 2010). Moreover, Army's dominance over politics and Turkish society has created a militaristic image of the country. Instead, what should be done is to foster conflict resolution and economic cooperation around the region, which would keep the hegemonic powers out of the area.

According to Davutoğlu, the end of the Cold War gave Turkey the historic opportunity to step up as a global power. This would be possible with an expansionist foreign policy based on Islamist understanding. Davutoğlu argued that such a foreign policy vision would enable Turkey to dominate its hinterland- the Middle East, the Balkans and Caucasus- and create its own 'Lebensraum', its new sphere of influence (Özkan,2014). The strategic depth doctrine calls for an active engagement with all regions, but the top priority was given to the Middle East (Çeviköz, 2016).

Davutoğlu also stresses that the end of the Cold war enabled Turkey to shift to a new regional system, a 'continental basin', allowing Turkey to exert its strategic depth through its active presence in Asia, Europe and Africa (Murinson, 2006). Moreover, the neo-Ottoman discourse proved useful for Turkey in attempting to present itself as an impartial arbiter in foreign policy toward the Middle East. Moreover, Turkey became active in diplomatic efforts for the Syrian-Israeli and Israeli-Palestinian

conflicts, attempting to bring peaceful solutions and acting as a mediator for such regional conflicts (Murinson, 2006; 953).

According to Demirtaş, AKP's Neo Ottomanism practised in the regions formerly ruled by Ottoman Empire is closely linked with geo-economics since geographical and historical determinism is also argued in the Strategic Depth doctrine (Demirtaş,2012;223). For Davutoğlu, the Middle East is Turkey's 'inevitable hinterland'. He sees Turkey's sphere of influence as 'Lebensraum' using the Turkish word 'Hayat alani' (living space), a direct translation (Davutoğlu, 2001). Davutoğlu claims to have formulated a new strategic understanding of the world from those before him and attempts to justify this expansionist policy through geostrategic discourse.

It is argued in the book that the end of the twentieth century brought changes in the Middle East, the Balkans, and the Caucasus. This made an earlier policy of preserving peace and integrity within the national borders challenging. Therefore, unless Turkey could rebuild its sphere of influence by gaining a new 'Lebensraum', it would collapse with the existing policy (Davutoğlu, 2001; 117-118). For Davutoğlu, Cyprus is 'in the heart of the Lebensraum', and Turkey would be involved in a Cyprus dispute even if no Muslim Turk lived there (Özkan, 2014; 124). He desires to make borders meaningless and therefore considers Turkey's political borders a geopolitical mistake since it separates Islamic communities from each other, so Ankara must define a new Lebensraum based on cultural and economic considerations (Özkan, 2014).

Two conditions need fulfilling for Turkey to be a global strategic actor, according to Davutoğlu. One is a domestic problem, while the other is regional. Domestically,

Turkey needs to solve the Kurdish issue and reduce the existing conflict between the Islamists and secularists (Davutoğlu, 2000). The solution for the regional or international issue is to settle all bilateral disputes that have damaged relations with neighbours. This is where the 'zero problem policy with neighbours' is offered since Davutoğlu believes Turkey has lost valuable time and effort with these regional conflicts. For Davutoğlu, what stands in the way of Turkey becoming a regional force and embarking on a global role are previous syndromes of the past that need to be removed and the establishment of substantial relations with neighbouring countries. Once the existing disputes are resolved and settled, Turkey can chase its role in the argument provided by Davutoğlu (Davutoğlu, 2000).

5.4 Implications of the "Strategic Depth" Doctrine

Davutoğlu, as the chief foreign policy advisor to the prime minister in 2003 and later as the foreign minister in 2009, has been an extremely influential actor in AKP's policymaking. Therefore, it makes sense to investigate to what extent his strategic doctrine has shaped the practices of Turkish foreign policy. When several steps were taken by the AKP government in domestic affairs and foreign policy until 2010 were investigated, the impact of Davutoğlu's doctrine was quite clear. Turkey's Middle Eastern policy represents an obvious case for this. However, substantial progress has been witnessed in bilateral relations with Syria, Iraq, and Armenia and little or no change in Greece and Cyprus (Grigoriadis, 2010).

Turkish foreign policy towards the Middle East has witnessed new dynamics under the AKP government. Despite Turkey having uneasy relations with Iran and Syria in the 1970s and 1980s, the AKP government established close ties with both countries in the first sub-period. AKP government first attempted to mediate between Israel and

Palestine, but the second-sub period saw a shift in this mediator role. Also, an apparent position was taken on the Arab- Israeli conflict, with the government adopting a pro-Palestinian stance and its traditional ties, with Israel being shaken (Rabasa and Larrabee, 2008; 85).

This new active diplomacy in the Middle East represented a fundamental departure from the previous Turkish foreign policy, usually on caution from deep engagement with Middle Eastern affairs. Since the Gulf War and the end of the Cold War, Ankara has been increasingly drawn into the Middle East crises (Rabasa and Larrabee, 2008; 86). Davutoğlu considers this, as stated in the Strategic Depth doctrine, an aspiration to become an actor in the region and respond to structural changes that have been taking place since the end of the Cold War (Davutoğlu, 2000).

According to Davutoğlu, as a medium-sized regional power, Turkey cannot influence global politics but carries enough economic and military capacity to influence regional developments in its neighbouring states, such as the former Ottoman territories (Demirtaş,2012; 234). In this respect, the AKP government, considering itself a suitable actor, has attempted to mediate between Afghanistan and Pakistan, between Israel and Syria, Israel and Palestine and between the EU and Iran, yet this was damaged by the critical stance on Israel's conflicts (Demirtaş,2012; 234).

Domestically, the Neo-Ottoman identity and rhetoric have helped to settle down the effects of socioeconomic changes of rapid urbanisation and the neoliberal transformation of all aspects of life (Günay, 2016). In addition, references to the Ottoman imperial past have served to overcome ethnic, linguistic and ideological differences in Turkey, in a distinct position from the previous Kemalist understanding

and also serving the populist discourse of the party. AKP's Neo-Ottomanism has involved praising the Ottoman heritage, references to common religious and cultural ties between Turkey and its neighbours, and employing economic tools to establish a Turkish sphere of influence and the mediating attempts, depending on the case (Demirtaş,2012; 234).

This proactive foreign policy of AKP can be seen as complementary to the party's goal of neoliberal hegemony, which aims to the interdependency between domestic, regional and international policy areas by focusing on security, economy and democracy. AKP's foreign policymaking is also closely linked with the party's domestic ambitions of effective governance and neoliberal growth, which deliver electoral success to the party (Keyman and Gumuscu, 2014). Also, AKP's foreign policy affects its domestic constituency since the supporters of the party believe that the government has made Turkey a respectable country in the eyes of the West, which is believed to have been damaged before in the Kemalist vision (Balta,2018; 17

As argued earlier, the neoliberal hegemony is the core reason behind the successful development and mobilisation of Turkey's soft power in its regional relations, also advocated by Davutoğlu's Strategic Depth doctrine. Winning every election since 2002, the party has shown continuity in foreign policy formulation (Kardas, 2010; 115-136). Because of the economic growth, more resources were available to be mobilised for this kind of foreign policy (Kardas, 2010; 115-136). This proactive foreign policy supplemented the transformative agenda of the party and became an essential tool for neoliberal economic growth. Pro-AKP businesses dominated the relations with Middle Eastern countries, media and NGOs, namely the second generation bourgeoisie (Altunışık and Martin, 2011). The AKP government has

helped these groups establish business links in the region, and, as a result, some of them grew in size and became significant holdings (Günay, 2016; 42).

Nevertheless, it was not only the second generation bourgeoisie that benefited from business links in the region. The key actors in this process were first-generation bourgeoisie groups such as TUSIAD, second-generation bourgeoisie groups represented by MUSIAD, newly emerging business groups from Anatolian towns and cities and the Foreign Economic Relations Board of Turkey (DEIK). However, for the new elite, the second generation bourgeoisie, the Middle East was considered a region with unexploited economic opportunities. Extending their connections to the Middle East would prove beneficial (Köstem, 2018; 744). Moreover, the linkage of state and capital has provided the bourgeoisie groups with access to new markets.

Analysed through this perspective, perhaps the foreign policy based on the Strategic Depth Doctrine should be understood as an extension of the neoliberal hegemony in Turkey by the bourgeoisie groups, which has gone beyond the traditional foreign policy practice to be a key regional actor in the Middle East and former Ottoman Empire territories (Yalvaç, 2016). The proactive foreign policy can also be read along the lines of the interests of the Turkish export-oriented bourgeoisie and as an imperialist hegemonic project (Yalvaç, 2016; 16). Because of the country's close geographical proximity to the region and its strong cultural and historical connections, Turkey has been affected by the dynamics of the Arab Spring. Yet, despite employing a cautious approach at first, Turkey acted within the new dynamics, giving a powerful reaction (Keyman and Gumuscu, 2014; 86).

Such emphasis upon a solid historical basis and belonging to the region helps formulate the goal of social engineering by using the state power and a mission towards a new domestic hegemony where a ‘common sense’ towards this historical mission is fulfilled. (Günay 2016, Yalvaç 2016), Turkey's leadership in the Muslim world has appealed to those who believe that the country is on a mission to repeat its ‘glorious past’. Constant references to the days of the imperial Ottoman Empire proved helpful in substituting Kemalist discourses and curtailing the existing social divides within Turkey (Günay, 2016). Also, the Neo-Ottoman discourse can be considered a hegemonic area of accumulation that goes beyond the geographical borders of the Middle East (Yalvaç, 2016).

With the help of economic growth at the end of the first sub-period (8.4%), the second sub-period from 2010 onwards witnessed Turkish investments in the Middle East and North Africa, which have helped to strengthen Turkey’s economic and diplomatic relations with these states and presented the region with an alternative development model than the one they had experienced (Altunışık, 2014). Therefore, assistance to new regimes became an essential component of Turkey’s foreign policy in the second sub-period and support for the opposition in Syria. When asked about Turkey’s motives for involvement, Davutoğlu (2013) embarked on a concept of ‘humanitarian diplomacy’ to legitimise Turkey’s response to the Arab uprisings and its involvement in the Syrian crisis. The AKP government has attempted to blend interests with values, emphasising humanitarianism (Onis, 2012). Alongside references to ‘global values’ in aid politics, the AKP government also attempted to justify these aids to regimes regarding Muslim identity and solidarity (Altunışık, 2014). Therefore, aid became another aspect of AKP’s foreign policy, aligning with its geopolitical interests. This

has made up critical dimensions for continuity since the Arab uprisings. According to Keyman and Gumuscu, after the uprisings, the Turkish government offered \$300 million to Libya, \$500 million to Tunisia, and \$2 billion to Egypt as financial aid (Keyman and Gumuscu, 2014; 91).

The Turkish Cooperation and Coordination Agency (TIKA) activities are worth noting. It can be seen from the figures that there has been a significant increase in the number of projects carried out and subsidies received by TIKA since 2002 when the AKP came to power (Güngör, 2015). The foreign aid has mainly been directed toward Africa, the Balkans, Eurasia and Central Asia. This move has been presented as offering aid to underdeveloped regions in ‘development assistance’. As a result, construction companies based in Turkey conduct operations toward development in these countries (Güngör, 2015).

Some projects that TIKA has financed included the restoration of mosques, social facilities and tombs that have been around since the Ottoman era. Emphasis on such assistance and projects can be regarded as a sign of the hegemonic foreign policy Turkey has been following in these regions. The association’s budget increased fivefold from 2003-to 2013 compared to its total budget from 1992-to 2002 (Donninelli, 2022). With the AKP coming to power, TIKA has acted as an agent of the government’s influence in the countries it has been active in, promoting socio-economic development in line with the foreign policy.

For the AKP, Turkey is responsible for the people who live in former Ottoman Empire territories because of its ‘deep-rooted past’ (Altunışık, 2019). Also, it is claimed that there is no political condition attached to receiving aid (Altunışık, 2014). Turkey’s

diplomacy involves humanitarian aid, development projects, business agreements and peacebuilding and brings together local actors, community leaders and political actors. (Altunışık, 2019). Humanitarian Diplomacy has proved helpful in promoting Turkey's political and economic interests and creating and consolidating relationships with other countries. For example, Turkish companies close to the government, such as the Albayrak group, have benefited from these opportunities in Somalia and other places (Altunışık, 2019).

At the onset of the Arab uprisings, the hope for the AKP was that Muslim Brotherhood parties (Ennahda in Tunisia and Freedom and Justice Party in Egypt and Muslim Brotherhood in Syria) would take power in Tunisia, Egypt and Syria because of standard ideological and religious links (Özkan 2020, Atmaca and Torun 2022). By referring to common Sunni Islamist values, the AKP hoped this would give the Turkish government a position of power and influence in the region. This can also be realised in the quote by Davutoğlu during the protests 'Turkey will lead the winds of change in the Middle East [...] not just as a friend but as a country which is one articulating the ideas of change and the new order.' (Barkey, 2016).

The Arab Spring hugely polarised foreign policy debates in Turkey and started a debate about the main pillars of Turkish foreign policy. AKP was criticised for employing sectarian policies based on Sunni identity, which was believed to be self-serving instead of the national interest (Gürpınar, 2020; 10). Foreign policy became a point of the clash between the AKP and the opposition. As argued earlier, foreign policy and domestic politics are linked in Turkey. The Gezi riots also became an example of this by opening up a new political discourse. The events pushed the AKP leadership to seek alternative discourses to gain the moral upper hand (Gürpınar,

2020; 15). The Middle East became that area to reclaim 'righteousness'. As the military toppled Muslim Brotherhood in Egypt in 2013 after a series of protests, the AKP leadership used this to discredit the Gezi protestors by implying that the protestors in Turkey were pro-militarist and anti-democratic like the ones in Egypt, relying on a neoliberal populist discourse. Whereas the Muslim Brotherhood was presented as the 'national will' of the masses and their democratic aspiration in Egypt, AKP was the carrier of national will in Turkey (Gürpınar, 2020; 16). Every time the AKP faced domestic criticism, foreign policy became the area to claim 'righteousness', in line with the neoliberal populism. In Turkey, it is often experienced that foreign policy gets buried under different debates related to domestic issues.

Turkey followed a cautious approach in places where the chance of instability would mean that Turkish investments would be negatively affected. For example, in Syria and Libya, where substantial Turkish investments and trade ties had been strong, the AKP government made stability and gradual reform its primary goal. Later in Syria, it spoke out openly against Bashar Assad and actively supported the opposition groups trying to oust Assad. The government lent quick support to the popular uprisings in Tunisia and Egypt (Keyman and Gumuscu, 2014; 87-88).). Moreover, the global dynamics and Turkey's potential for expansion and implementation of its soft power permitted the environment for a proactive foreign policy where the nature of activism has been transformed from a neutral position to one of involvement in conflicts, bringing some challenges and multiple crises.

In the places that Arab uprisings succeeded, Turkey attempted to deepen its ties with the emerging new regimes. Foreign minister Davutoğlu was quick to respond to rebels capturing Tripoli and visited Libya twenty-four hours after the incident in 2011.

Similarly, Erdogan visited post-revolution Egypt, Tunisia and Libya, constantly referring to cultural (religious) and historical connections between countries (Keyman and Gumuscu, 2014; 88). Because of the Arab uprisings, Turkey's relations with two important neighbours, Syria and Iran, were affected negatively. In line with its "zero problems- with neighbours" policy, Turkey has improved its relations with these two countries; yet, Turkey's relations have deteriorated because of the uprisings. Turkey's relations with Iran have also suffered, but it has not been as costly as Syria. However, AKP's proactive foreign policy has been subject to pressure. Some of the central principles of active Turkish policy-making in the regions, such as the desire to discipline and assist the authoritarian regimes in the region, have had negative consequences on Turkey's image (Fisher-Onar, 2012). Moreover, Davutoğlu's 'zero problems with neighbours' policy was scepticism because of Turkey's close relations with some oppressors before the Arab uprisings and their sudden partitioning in the aftermath. (Keyman and Gümüştü, 2014; 90).

According to Ziya Öniş, Turkey faced a choice after the Arab Spring protests erupted: an approach of intervention and overthrow of authoritarian regimes or a pragmatic approach of supporting these leaders to preserve trade balances and profits (Öniş, 2012). So it became a question of the ethical dilemma of whether to support the call for democracy by the people in the Arab world or for the dictators who carried good economic and diplomatic relations with Turkey before the uprisings (Volfova, 2016; 506). If the parties that the Turkish government supported had remained in power, this would have been very beneficial since it would enable the AKP to project its neo-Ottomanist influence in the region based on Islamic identity and a free-market economy.

5.4.1 Relations with Egypt

Turkey's ties with another regional power, Egypt, strengthened during the Arab Spring. Although there has been little activity in the first sub-period, the only noteworthy incident was signing an economic partnership with Egypt during Hosni Mubarak's visit in March 2007. In the second sub-period, however, things changed. During the uprising in Egypt, Turkey was openly critical of the Hosni Mubarak regime and supported the opposition, which had gathered in Tahrir square. After the toppling of Mubarak and the Muslim Brotherhood's Morsi coming to power, the relations between Turkey and Egypt improved to a great extent. The AKP government made efforts to be on good terms with the new establishment.

These intensive efforts bore fruit as the visa talks with Egypt started, 8 billion dollars were invested into the Egyptian economy, and 27 bilateral agreements were signed between the two countries on different economic matters (Keyman and Gumuscu, 2014; 92). As part of the deal that improved the relations between the countries, it had more expansive access to the African continent because of Egypt's existing free trade agreements in the region (Keyman and Gumuscu, 2014; 93). However, this apparent support for the Brotherhood government created a harsh environment for the Turkish state after the military toppled Morsi and the military took over the rule after the coup. Turkey's open condemnation of the toppling of Morsi made it difficult to sustain its relationship with Egypt after the coup. Turkey had become a party to the highly polarised Egyptian society and politics. It can be argued that the economic interests were behind the reaction to a certain degree since good economic relations were established with the Brotherhood regime were lost in the military coup (Keyman and Gumuscu, 2014; 93). Under Sisi, the new Egyptian

regime regarded Turkey as a close ally of the ousted president Morsi, which damaged economic relations between the two countries.

5.4.2 Relations with Syria

The most fundamental change in Turkey's foreign policy was observed towards Syria. The two countries almost went to war in late 1998 because Syria supported the PKK, but later, in 2005, relations between the two countries flourished. In the first sub-period, the level of political and economic cooperation increased, and Turkey acted as a mediator between Syria and Israel to achieve a peace agreement about the return of Golan Heights to Syria. In September 2009, a decision was taken to reciprocally lift the visa requirement for tourist visits, which positively affected the public's perception of the other country (Grigoriadis, 2010; 6).

However, there was a tremendous shift in Turkey's policy towards Syria and Erdoğan's attitude towards Bashar al-Assad with the Arab Spring in the second sub-period. Turkey aligned with the Western countries and imposed sanctions on the Syrian regime, which the EU governments and we deeply condemned. To put it differently, Turkey played an essential role in the Arab spring and took sides. This was done with discursive and operational assistance towards the democratisation attempts (Özpek and Demirağ, 2012; 126).

As the mass protests erupted in Syria, Turkey hosted members of the country's opposition in June 2011 in Antalya, intending to end the rule of Assad. Among those hosted were members of the Syrian Muslim Brotherhood, which suggested that the goal of the Turkish government was to replace Assad with an Islamic regime that it felt ideologically close to (Ayhan and Orhan, 2011). Turkey's involvement in the Syrian conflict was based on supporting the Sunni and Islamist groups against Assad.

Focused on removing Assad from power at all costs, the AKP government allowed moderate opposition in Syria and the Islamist jihadists to use the Turkish territory for transit and training purposes (Hersh, 2014).

Groups such as the Syrian Muslim Brotherhood were natural allies, and Turkey positioned itself along sectarian lines in the conflict (Günay, 2016; 42). Therefore, once again, Sunni Islamic values became prominent. Turkey found itself in a position where it worked together with Saudi Arabia and Qatar to aid opposition groups but failed to create an effective alternative to the Assad regime, which led to scepticism about such a policy (Dizdaroğlu, 2018; 98). Before the Arab Spring uprisings, Turkey had established strong economic ties with the authoritarian regimes of both countries. Since there were interests in Turkey, stability was the most preferred choice since this would aid the established trade patterns and economic benefits. Considering that the regime change would be inevitable, the preferred option for Turkey became the restoration of stability through regime change, allowing her to further its influence. The least preferred option, therefore, was a prolonged uncertain conflict. (Robins, 2013; 295).

Concerns for stability, therefore, shaped Turkey's reaction towards Syria. Since the Syrian refugees flowed into Turkey, it is estimated that this has resulted in losses of millions of dollars since the bilateral trade between the two neighbours stopped (Keyman and Gumuscu, 2014; 88). Therefore, in the beginning, Turkey acted with caution. However, when the widespread protests started in Syria, the Turkish government sought to mediate between the Syrian president and the opposition rather than publicly condemning the regime (Keyman and Gumuscu, 2014; 88).

When the mediation attempts did not deliver the expected result and Syria did not become more stable, the tone of the Turkish reaction became harsher. The economic cooperation with Turkey became difficult, civil war broke out, and it crashed hopes for stability. Because of these developments, Turkish foreign policy was reshaped with the hope of another quick transition that could be achieved with the international community's help. Therefore, Turkey moved to support the Syrian opposition against Assad. Because of the process, Turkey allied with the US and the EU in the Syrian crisis and with Western powers. However, it should be noted that Turkey's involvement in the West's criticisms of the Syrian regime has caused a rift with the authoritarian regimes of the Middle East.

However, things did not go according to plan in Syria for Turkey. It has resulted in a substantial cost since the least preferred option of Assad staying in power and continuing the civil war in the country. As of 2015, the coup in Egypt and the protracted conflict in Syria meant that the AKP government could not continue its hegemonic vision for the Middle East. The country's relations with the US were also damaged (Balta, 2018; 2015).

5.4.3 Relations with Libya

Turkey's relations with Libya before the Arab spring were on track. Before the Arab Spring started in Libya, Turkey's trade partnership with Libya had risen close to 2.3 billion dollars (Keyman and Gumuscu, 2014; 89). As argued earlier, Turkey's actions and preferences during the Arab Spring were primarily based on its economic and political connections relations with the regime. Depending on these dynamics, either a call for reform or mediation between different parties would be employed, or uprisings would be supported with a call on the leader to step down. Therefore, with

Libya, Turkey at first was cautious. Early on, Turkey did not welcome an international intervention, with Erdoğan arguing that “military intervention by NATO in Libya or any other country would be counterproductive” (Dizdaroğlu, 2018; 97).

However, shortly after that statement, Turkey changed its position once the no-fly zone was created with the decision of the UN Security Council on 17 March 2011. As it seemed Gaddafi would fall and a new regime would surface, Turkey called for Gaddafi’s resignation on 3 May. It was thus believed that a NATO operation would restore stability, in line with the Turkish interests. Although not active in the military coalition, Turkey sent its warships and fighter jets to the Libyan shores as a demonstration of support for the opposition (Uzgel, 2016; 178). A few months later, in September 2011, after Gaddafi was overthrown with the uprising, Erdoğan visited Libya with a delegation comprising ministers, business people, journalists, bureaucrats and members of civil society organisations (BBC, 12 September 2011).

Since the overthrow of Gaddafi, the AKP has actively supported the Libyan Muslim Brotherhood, represented by the Justice and Construction party, referring to Sunni Islamic values (Trauthig, 2019; 8). However, in 2014, the party announced that it would no longer take part in the government in Libya after an unsuccessful attempt to unseat Prime Minister Ali Zeidan and all five ministers resigned from their posts (BBC, 21 January 2014). Therefore AKP’s plans to establish good relations with this group did not deliver the intended result.

5.4.4 Relations with Iraq

Turkey’s relations with Iraq also improved during this period. Turkey’s policy against Iraq since the US occupation in 2003 had been focused on the prevention of the rise of an autonomous or independent Kurdish entity or a Kurdish state and attempting to

eliminate the Kurdish Workers Party (PKK) in Northern Iraq. In October 2009, Davutoğlu became the high-level Turkish official to visit Northern Iraq. He met the President of the KRG, Massoud Barzani, who was previously considered an archenemy of Turkey and Prime Minister Nehcirvan Barzani and announced the opening of the Turkish consulate in Erbil. Davutoğlu argued that such a visit should have happened a long time ago, and Turkish exports to Iraq had reached \$6,036,362 million in 2010, from \$2589.4 million in 2006 (TUIK, 2011).

The policy followed by Turkey in Iraq also received praise from the European Union. In the 2010 Turkey Progress Report, it was shown that the visit of Turkish leadership and the reconciliation between Turkey and the Northern Iraq regional government "contributed to the positive atmosphere in solving the Iraqi problem". While this reconciliation was not taken further because of the Kirkuk question and the constant operations of the PKK from northern Iraq, it still represented a radical departure from the previous attitude based on mistrust and hostility.

5.4.5 Relations with Iran

Turkey's relations with Iran also went further, especially on energy. The cooperation on energy moved beyond the purchase and transit of Iranian natural gas through Turkey to the development of Iranian hydrocarbon fields by Turkish companies (Grigoriadis, 2010). Turkey and Iran signed a Memorandum of Understanding in July 2007 to transport 30 billion cubic meters of Iranian and Turkmen natural gas to Europe.

Iran's nuclear programme, however, was a source of discomfort for Ankara. Turkey did not want to witness the emergence of a nuclear Iran. Instead, the concern was focused not so much on the possibility of a direct attack by Iran but the outcome of

Iran's acquisition of nuclear weapons, changing the regional military balance and the dangers of nuclear proliferation. A nuclear-armed Iran would have meant Turkey could take countermeasures to safeguard itself. Therefore, Turkey played a key mediator role in the Iranian nuclear dispute. To distance himself from the United States and the EU, Erdoğan constantly referred to Western double standards concerning nuclear proliferation in the Middle East.

Turkey's arbitration efforts practically began following the failure of the October 2009 Vienna agreement for the exchange of uranium (Sinkaya 2009: 74-77). The Tehran Declaration concerning uranium exchange was concluded On May 17, 2010, under the supervision of Brazilian President Lula, Iranian President Ahmadinejad and Turkish Prime Minister Erdogan. However, AKP's policy over Iraq and Syria during the Arab Spring led to a fallout with Iran since both countries attempted to influence the outcome of the process(Özkan,2020;295). Despite its efforts to ease the US embargo on Iran, the AKP moved to overthrow the Assad regime, a loyal ally of Iran (Özkan, 2020; 295).

5.5 Conclusion

AKP's 'zero-problems with neighbours' policy has had to respond to the events of the Middle East, which involved civil wars, conflicts or humanitarian issues and peaceful regime change. To put it differently, these developments made the 'zero-problems with neighbours' policy hard to implement. For some examples, Turkey remained silent. However, the democratic rhetoric used by Erdoğan extensively in other countries did not seem to extend to all countries. Instead, the government changed its response to the events from one country to another and even within countries on how they seemed to affect the Turkish interests.

In the second sub-period (post-2010), the AKP used Sunni Islamist values to intervene in the Middle Eastern countries undergoing significant upheaval following the Arab Spring. Those who have been critical of foreign policy have been addressed as domestic adversaries and as those opposed to national development. This exclusionary strategy has enabled the AKP to create a unique domestic political environment, legitimised its actions in the Middle East and attempt to consolidate neoliberal hegemony. Therefore, the AKP used the Arab Spring to contribute to its political aims in Turkey. The domestic adversaries were associated with international adversaries where international foes such as Assad, Israel and Iran were presented as being in collaboration with the major opposition party CHP, Gezi protestors and the Gülen movement in what appears to be an impossible alliance. The AKP's foreign policy, on the contrary, was argued to be an extension of the national/popular will (Gürpınar, 2020; 16). However, every time the AKP faced domestic criticism, foreign policy became the area to claim 'righteousness', in line with the neoliberal populism.

The AKP supported Sunni-Islamist groups in Syria, Egypt and Libya and Tunisia. The Turkish government offered financial aid worth \$300 million to Libya, \$500 million to Tunisia, and \$2 billion to Egypt (Keyman and Gumuscu, 2014; 91). Turkey supported the Syrian opposition in Syria and promoted an international coalition to remove Assad from power, hoping that a Sunni-Islamist regime would emerge instead. The AKP also believed the electoral victory of the Muslim Brotherhood in Egypt, Tunisia and Libya could enable Turkey's political and ideological impact in the region.

Since it was essential to consolidate domestic neoliberal hegemony to access new markets or preserve the existing ones, Turkey preferred swift changes. However,

Sunni-Islamist values did not prove helpful in the long term since trade balances were disturbed by the developments in Syria and Egypt and Muslim Brotherhood parties supported by the AKP did not stay in power. Therefore, the neo-Ottomanist discourse employed by the AKP for domestic neoliberal hegemony was shaken since the Arab Spring created an unstable political environment. Such manifestations did not deliver the intended stimulus in AKP's foreign policy and, as a result. Moreover, the hopes for Turkish influence in the region and Turkey is considered a critical actor have not emerged. Instead, the constant emphasis on history and belonging to the region for the mission towards a new domestic hegemony to justify a 'common sense' towards this historical mission seemed to be over with the resignation of Davutoğlu. Moreover, the claim to repeat the 'glorious days' of the Ottoman Empire and lead the Muslim world did not materialise after the AKP lost its critical allies to accomplish such a goal.

Chapter 6

THE IMPACT OF AKP'S FOREIGN POLICY ON THE CAPITAL ACCUMULATION PROCESS IN TURKEY

6.1 Introduction

Since 2002, Adalet ve Kalkınma Partisi (AKP) has enjoyed an uninterrupted rule in Turkey. Over the years, it has increased its dominance over society by implementing its agenda. During its term in office, the AKP has been following an active foreign policy and attempting to become a leading regional actor, especially in the Middle East. One notable characteristic of AKP's foreign policy approach has been its assertive pursuit of international business, aided by the endeavours of the first generation bourgeoisie organisation (TUSIAD) and second-generation bourgeoisie organisations like MÜSİAD and TUSKON (until the latter's closure in July 2016). A programme of organising foreign conferences, delegations, and exchanges by the AKP government has generated a significant increase in trade between Turkey and its neighbours.

In its first term in government, the party has received praise for increasing export and import figures and increasing the inflow of foreign direct investment. The party's economic outlook has promoted further trade and investment in Turkey's regions. While in power, the party has developed close links with capital groups, focusing on macro-economic stability, economic growth, and boosting private investment. By quashing labour organisations and preventing strikes, the AKP has allied itself with

the big bourgeoisie and small and medium-sized enterprises (SMEs) in Turkey while attempting to balance the competing interests of these groups in order to consolidate the neoliberal hegemony.

Many attempts to establish a hegemonic unity in the 1980s and 1990s had failed because of their exclusionary character. Instead, they led to further political authoritarianism and even more militarisation of the political arena (Akça, 2014). As a result, the AKP engineered unity between the dominant classes and gained the consent of the working class for this neoliberal hegemonic project. Much has been debated on the issue, but what needs further clarification is how AKP's foreign policy contributed to the neoliberal hegemony. This chapter will attempt to answer the question: How did AKP's foreign policy impact the capital accumulation process and the second generation bourgeoisie that has become the principal support of the AKP? This chapter will study capital inflows and outflows and trade patterns to test which capital groups benefited from this activity. It will also focus on how the role of AKP's foreign policy contributed to the capital accumulation process and, consequently, AKP's support base. Finally, the correlation between foreign policy and domestic policy and the effects of foreign policy on the domestic support base during AKP's rule will be investigated.

6.2 Capital Organisations in Turkey: Pre-AKP period

Starting from the 1960s and carrying on into the 1970s, Turkey witnessed the transformation of commercial capitalists into productive capitalists, with a rise in industrial production (Ercan, 2002; 21-39). Towards the end of the 1970s, the big companies that had benefited from this internal accumulation of capital searched for

new market opportunities and moved to integrate with the world market and an accumulation strategy based on exports.

Founded in 1971, the Western-oriented, secular TÜSİAD was at the core of these activities. The capital accumulation of the members of this bourgeoisie organisation started much earlier than those of MÜSİAD. TÜSİAD favoured economic liberalisation and demanded free-market economic reforms from the political authorities until the 1980s (TÜSİAD, 2013). The post-coup period of the 1980s witnessed three phases of capital accumulation: initially, then accumulation through export promotion, then accumulation through the inflow of money capital in the 1990s and 2000s marked by global integration through productive capital accumulation (Ercan and Oğuz, 2015; 121).

Distinguished by its Islamic identity, MÜSİAD started becoming the principal representative of the growing Islamist movement in Turkey once it was founded in 1990 (Özdemir, 2006; 18). The organisation distanced itself from secular entrepreneur associations like TÜSİAD. MÜSİAD was founded within a socio-political and economic environment distinct from that of TÜSİAD, representing companies that were different and more geographically spread. Both associations became the agents of two different bourgeoisie groups, representing the first generation and second generation bourgeoisie.

TÜSİAD, which is based on voluntary membership, has around 4,500 members (TUSIAD, 2020), many of them firms geographically concentrated in and around Istanbul. The organisation supports a pro-European policy, favouring trade with Western countries, and defends Western-type democracy and human rights (Buğra,

1998; 526). MÜSİAD draws on a mix of Islamic beliefs and a free-market economy. MUSIAD ranks among Turkey's largest voluntary organisations, with a membership of over 11,000 (MUSIAD, 2020).

Most of the companies affiliated with MÜSİAD are small-to-medium-sized enterprises (SMEs), commonly managed by conservative-religious business owners, and found in Turkey's industrial and peripheral regions. After the liberalisation of the economy and deregulation of the market in the 1980s, these SMEs played an increasingly important role (Buğra, 1998). This new middle class is labelled as the 'Anatolian bourgeoisie'. The socially conservative group advocates the need for greater religious freedom. While supporting the Islamist Welfare Party in the 1990s, today, it is one of AKP's core constituencies, having been instrumental in the establishment and consolidation of the neoliberal hegemony in Turkey (Öztürk, 2015; 135)

There are no established criteria that enable one to define a specific company as Islamic. Classifying capital by political or ideological commitment becomes quite problematic. The problem might be solved in Turkey by identifying capitalists' political or ideological leaning by looking at their membership in the business associations. It is commonly accepted that MÜSİAD and TUSKON are Islamist organisations, while TÜSİAD is the organisation of the Western secular bourgeoisie. While real-life capital relations are more complex, this is a good place to start.

TUSKON, another organisation involved in Turkey's foreign business activities, while not a state institution, worked closely with the state institutions in these activities. The organisation's statements and actions were in full conformity with the

government and operated based on “always supporting and never challenging the government “(Atlı, 2011; 124). As elaborated further below, TUSKON was closed down when the rift between the Gülenists and the AKP government surfaced in 2016.

The Islamist bourgeoisie has advanced beyond the "Anatolian Tigers" of the 1990s or the domestic SMEs, developing into significant capital holdings. Having access to finance and capital enabled Islamist groups to become significant players in the Turkish economy. These groups have developed a policy perspective on foreign trade and financial capital. A fresh approach offered by the AKP, one that synthesised Islam and neo-liberal capitalism, attracted the Islamists to join the party. As a result, the AKP has acted as the political representative of these capital groups.

6.3 Capital Accumulation during the AKP Era

Turkey experienced a major economic crisis from 2000-to 2001. This led to an agreement with the IMF to put the Turkish economy back on track, subject to several regulatory criteria. The AKP implemented the 2001 regulations, which enabled Turkey to integrate tightly into finance-based global capitalism. This integration also enabled different capital groups in Turkey to come under neoliberal hegemony, which had failed before (Bekmen, 2014; 48). Previously, no other party had established the economic arrangements between capital groups while gaining the consent of the social forces needed for such a transformation.

AKP met the needs and demands of the new capital groups with a new capital accumulation strategy, helping to attain a level of consent for this new strategy. According to Tugal (2009), the AKP should be regarded as the outcome and the connecting point of this new strategy, which integrated the Islamic capital groups into

the more comprehensive neo-liberal project. AKP had the explicit support of MÜSİAD and other conservative/ Islamic organisations upon its foundation. To give an example, ten MÜSİAD members were also among those who founded the AKP, and about 20 MÜSİAD members became AKP deputies in the 2002 elections (Şen 2010: 71). The organic links between the AKP and these groups were also strengthened through policies. These included a heavy privatisation programme, foreign capital attraction through legislation, health and education services reform, natural resources exploitation by capital groups, and a new labour law making labour more flexible, all of which suited business needs (Öztürk, 2015; 120). The AKP also received the firm support of TÜSİAD in its first term between 2002 and 2007 as the party worked hard to further Turkey's bid for membership in the European Union (EU). The neo-liberal and pro-EU commitments provided the government with legitimacy in the eyes of TÜSİAD members. This synthesis also proved preferable for the secular bourgeoisie groups, and the AKP successfully satisfied their expectations.

There seemed to exist an alliance of different factions of capital against the labour force. Therefore, the capital groups in Turkey established a long-term relationship extending across economic, political, and ideological fields. These include competition, strategies for labour relations, socio-economic policies, economic prosperity, ideological matters, and social inclusiveness (Hoşgör, 2011; 354). The promise of social justice, income equality, and democratisation helped the AKP accommodate subordinate classes and prevented a united struggle against neo-liberal reforms (Hoşgör, 2011; 354).

This has translated into two advantages for the Turkish bourgeoisie to establish domestic hegemony for the accumulation process. First, the working class lost its

militant identity, and its struggle against capitalists became weaker. The primary reason for this was the 1980 coup d'état by the Turkish army and the 1982 anti-libertarian constitution, which remains the existing constitution in Turkey (Yörük, 2014). Another determinant for the new accumulation regime was the internal displacement of Kurds in the 1990s because of PKK involvement in South-Eastern Turkey, which led to a growth in the informal proletariat. Urban Kurds were included in the informal proletariat as part of the labour force (Yörük, 2014; 234-246). However, the structural bargaining power of the formal proletariat was not to be found in the informal proletariat, which made it easier for the neo-liberal project to be implemented. Moreover, during its rule, the AKP has removed the welfare rights of private and public formal sector employees.

The AKP has also united various factions of the bourgeoisie through its neo-liberal economic policies, which were centred on financial capital inflows, privatisation of state enterprises, reduction of real wages, and extensive use of subcontracting made possible through changes in the law. By its systematic adoption of specific policies, AKP reduced labour costs (Akça, 2014; 13-46). In addition, the AKP has had to deal with the expectations of different capital groups since coming to power. While TÜSİAD, as the dominant financial power, has pushed for economic policies to reflect fiscal discipline, small and medium-scale enterprises, mostly affiliated with MÜSİAD and TUSKON, have complained persistently about lack of credit and called for monetary policies to be broadened, as this would help them benefit from public credit incentives and tenders (Bekmen,2014; 63).

Different fractions of capital had different strategies for accumulation and benefited from different state policies. Three dominant factions are:

- 1) Internationalised capital groups partially involved in the global market.
- 2) Newly emerging, medium-scale capital groups attempting to internationalise and integrate with the global market.
- 3) Capital groups are mainly composed of but not limited solely to SMEs, which still operate nationally. (Hoşgör, 2011; 354-356, Ercan and Oğuz 2006; 641-656)

While TÜSİAD was the chief representative of the first group, MÜSİAD represented the second and third groups while including a few from the first group as well. The tendency reflected the neo-liberal restructuring tendency among domestic players to step up their game, further their accumulation capacity, and connect with the international market. The conservative bourgeoisie also benefited from public contacts established through AKP-run municipalities. The AKP government channelled resources to these groups through banks, privatisation bids, and local governments. A post-9/11 shift of finance by Saudi investors from the US to Turkey has also contributed to this period. (Hoşgör, 2011; 354-356, Rubin, 2005).

Because of government backing, Islamist capitalists such as Albayrak, Çalık, and Boydak, which have close ties to the party elite, started competing against TUSIAD members (Dogan and Durak, 2014). Certain factors have influenced the accumulation and transformation of Islamic capital. These include public tenders for the Housing Development Administration (TOKI), which received a total investment of 20 billion dollars courtesy of the Istanbul Metropolitan Municipality, and the privatisation of public enterprises (Dogan and Durak, 2014; 223).

During the 2007-to-2011 period, which marked AKP's second term, it was considered especially helpful to be a member of an Islamic capital organisation if contemplating

an assured approach to expanding and doing business in the market. Capitalists affiliated with these organisations understood the importance of attending their events (Dogan and Durak, 2014; 223). Large Turkish Islamic capital companies such as the Çalık Group established close relations with the AKP elite or even directly with Erdoğan, outgrew MUSIAD and joined TUSIAD instead (Bekmen,2014; 62). By 2010, the Turkish business world reportedly experienced a "conservative rise" since 70 out of 500 industrial companies were members of either MÜSİAD or TUSKON (patronlardunyasi.com, 2010). MÜSİAD grew from 1,800 to 6,500 members, employing 1.2 million workers and accounting for 15% of Turkey's national income. TUSKON grew from 12,000 members to 34,000 in the same period. (Dogan and Durak, 2014; 224)

Since coming to power in 2002, AKP governments have transferred public assets worth 62 billion US dollars to private hands under very favourable terms. Such privatisations have paved the way for entities with the right political connections to receive lucrative business deals in energy, tourism, construction, and health care (Buğra and Savaşkan,2014; 82). The authority of independent regulatory agencies has also been limited (Bugra, 2017). Higher courts have tried to intervene in the privatisation process, but their power was restricted mainly by the referendum in 2010 that introduced constitutional amendments (Bugra, 2014).

The AKP government also privatised state assets and state-owned industries to direct the capital accumulation process, including establishing legal and institutional conditions that ensured the support and loyalty of the capital groups that benefited. In addition, one-quarter of public spending has been devoted to public procurement bids, accounting for up to 8.5% of the national GDP (Gürakar, 2016; 72). The privatisation

of state-owned energy became a profitable area for business owners with political links. Firms such as Kolin, Limak, Çalık Kazanca and Cengiz – all of them pro-AKP- won a significant share of tenders for electricity distribution (16 out of 20) across the country (Özcan and Gündüz,2016; 1726-1730). A similar scenario took place with public tenders related to gas distribution. In large cities, 15 out of 19 tenders and 13 of 18 tenders in medium-size cities were awarded to firms linked to the AKP (Özcan and Gündüz, 2016; 1730-1731); however, established big businesses that refused to provide unqualified support to AKP faced severe threats of marginalisation and disciplinary tax inspections (Bugra, 2017; 42-56).

On 15th July 2016, a coup attempt to overthrow the AKP government took place, and the Gülen movement, led by Fethullah Gülen, was blamed. Fearing a government backlash, several significant companies left TUSKON, which was believed to be closely affiliated with the Gülen movement, and declared their loyalty to the AKP. Those who were blamed for having links to the Gülen movement found themselves facing bankruptcy proceedings since the Gülenists were being held accountable for organising the coup attempt (Esen and Gümüşcü, 2018). Before falling out with the AKP and Erdoğan, the pro-Gülen companies affiliated with TUSKON had received a generous share of public procurement bids between 2004 and 2011 (Esen and Gümüşcü, 2018; 361).

A labour control regime based on the cultural hegemony of the neoliberal elite in Turkey, where the social, political, and economic status quo had been presented as natural and inevitable, has proved helpful during AKP's rule, persuading the labour force to adhere to certain beliefs and values. This cultural hegemony, partly based on conservative values, was applied effectively in the work environment, helped further

by assurances that absolute exploitation was guaranteed (Dogan and Durak, 2014; 229-232). Reinforcing this cultural hegemony was an aspiring conviction that an Islamic utopia was viable as a common worldview. This helped shape and promote the concept that workers and employers are on the same side in daily working life. Sustaining the cultural hegemony through Islamic rhetoric reinforces an acceptance that the actual relationship is based on compliance with issues to do with patience and faith. Divine references legitimise worker-employee relations (Dogan and Durak, 2014; 223).

MÜSİAD's role in politics, the economy, and society in this constitution of cultural hegemony is noteworthy. It is among the principal actors for a domestic hegemonic project within the globally dominant neoliberal order. The rise and changing role of MÜSİAD in economic affairs and foreign policy initiatives can be linked to the capitalist mode of development in Turkey; a role highlighted in the hegemonic constitution (Yıldız, 2011; 72). In the Turkish presidential election of 2014, MÜSİAD, according to reports, asked its members to donate to Erdoğan's campaign and to declare their donations publicly (Sözcü, 28 July 2014).

The AKP, in turn, has rewarded MÜSİAD for its support financially and in terms of personnel. The party contributed to the development of small and medium-sized enterprises, the backbone of MÜSİAD's membership, by financing projects, providing tax incentives, and promoting exports (Başkan, 2010:413). Some suggest that the newly emergent bourgeoisie formed in competition with TUSİAD makes up about one-third of its capital power in their share of national income, exports, and business volume (Tanyilmaz, 2015; 101). The foreign policy shift was carried out to satisfy expectations of this loyalty for a new period of capital accumulation.

6.4 Role of Foreign Policy for Trade and the New Phase of Capital Accumulation

Davutoğlu's "historical depth" doctrine shaped Turkey's new foreign policy orientation, with TUSIAD, MUSIAD and TUSKON having a notable influence on new policy initiatives. (Oniş, 2010; 12). These interest groups did not confine themselves to working closely with government agencies. They also had direct contact with the government and could shape public opinion. In addition, they provided a crucial link between government agencies and counterparts in other countries, helping them lobby and win support for their policies (Kirişci, 2009; 46). Moreover, as the doctrine argued that Turkey should pursue practical economic cooperation and economic alliances in the region, there existed a need to overcome geopolitical and geo-economic disadvantages and promote Turkish products, especially in export markets and expand the market and range of trade. This approach is linked to the "zero problems" policy to ensure friendly relations with neighbouring countries.

The requisite fully integrated interdependence could best be achieved through the skilled application of the full array of diplomatic tools. Hence, the AKP government's initiatives strengthened the links between economic activities and foreign policy. According to Kirişci, this kind of interdependence can be understood in two ways. First off, it has to be seen as a "functionalist tool" for conflict resolution and peacebuilding. Second, to provide markets for Turkish exports and businesses (2009; 42). This means that the Davutoğlu/AKP zero-problem policy with neighbouring countries' approach needs to be understood from the economic perspective of how it serves the ambition to find new export markets.

The policy became much more apparent during AKP's second term of office, from 2007 onwards. Exports have grown much more than imports, matching Turkey's growth ambitions. Also, the shift in the international political balance after the Cold War led to a re-evaluation of security and identity concepts. Turkey reframed its internal and external identity considering this additional security understanding. Starting from the early '90s, successive Turkish governments embarked on a strategy to engage in a deeper relationship with Russia, the post-Soviet region, the Middle East, and the Balkans (Onis, 2010; 15).

Arguably, Turkish foreign policy shifted from being ideologically based toward the more pragmatic approach of a trading state seeking markets and economic benefits in this period to expand the range of trade as much as possible within the new markets (Kirisci and Kaptanoglu, 2011; 705-724). In late 2009 and early 2010, a visa liberalisation programme to encourage capital activity was introduced, which also saw the creation of free trade areas (Kirisci and Kaptanoglu, 2011; 709). State visit delegations continued to include many business people. Illustrating the value of this approach, the State Minister responsible for Foreign Trade, Zafer Çağlayan, pointed out that business deals worth 247 million dollars had been agreed upon during state visits to Kuwait and Qatar in 2011 (Yeni Şafak, 16 January 2011). Examples like this show how state visits became crucial for setting up business deals and increasing trade volume and how the AKP government used state resources for this new phase of capital accumulation.

With these new initiatives, bilateral trade between Turkey and Iran grew from 1.2 billion dollars in 2002 to 5.4 billion dollars in 2009. In contrast, trade figures between Turkey and Russia jumped from 5.1 billion dollars to 22.7 billion in the same period

(Turkstat, 2009). The trade volume with the Caribbean and Latin countries also increased from 773 million dollars in 2002 to 1.8 billion in 2009 (Turkstat, 2009).

Table 1: Bilateral trade with Turkey (in billion dollars)

	2002	2009
Iran	1.2	5.4
Russia	5.1	22.7
Caribbean and Latin	0.73	1.8

As explained earlier, the capital accumulation period for Islamists started in the 1980s, much later than for TÜSİAD members. They were very keen to gain access to new markets for their exports. Therefore, influencing economic and political decisions to suit their accumulation ambitions was important in their attempt to catch up. As a result, the ability to have assured access to state resources proved vital. For these groups, mainly represented by MÜSİAD, the strategic perspective for capital accumulation has been forming a trading bloc consisting mainly of states from the Islamic world, such as ex-Soviet republics and countries in East Asia. Religious language and Islamic identity proved useful for overseas investment ventures, especially in the predominantly Muslim Middle East.

This can be realized when examining transactions at gatherings such as the "Medina Market" international trade fair for Muslim business people or the "Cotton Association" involving East Asia and the Balkans. MÜSİAD's share of trade increased once it began taking advantage of the neo-liberal integration of the Turkish economy into the global economy. By 2010, MÜSİAD members' share of the national

income had reached 15% and accounted for 15-to-20% of Turkey's total exports (Sönmez, 2010).

In this new setting, Russia became Turkey's biggest trading partner, and the Middle East and Africa had emerged as new markets. Since access to the EU market proved difficult for this new bourgeoisie, they turned to the Middle East, Africa, post-Soviet republics, and Asia as their preferred export destinations. AKP responded to their need for export markets by shifting the foreign policy initiative toward the Middle East, North Africa, and Central Asia. The EU remained the major trading partner, with close to 60% of exports going to member countries (WITS, 2020). While in 2008, the export share of the Middle East and North Africa was 22.4% of total exports, this rose to 24.59% in 2009 and 24.94% by 2010 (WITS,2020).

Therefore, the Middle East became the principal focus of Turkish foreign policy initiatives in the second term of the AKP government, both concerning government policy and NGO activities (Onis, 2010). The commitment to EU membership also seemed to lose momentum in this period, yet the EU remained the largest market for Turkish exports. An increasingly confident foreign policy was the hallmark of this period (Onis, 2010; 5-7). The development of relations with the Middle East and Islamic countries sparked MÜSİAD's growing interest in Turkey's international relations and foreign policy decisions, recognising its members' growing business interests and their need for new export markets in their pursuit of capital accumulation. TUSKON, its membership essentially made up of exporters, had become actively involved in African and East Asia markets (Babacan, 2011).

Turkey's trade with the Gulf countries such as Qatar, the United Arab Emirates and Saudi Arabia also developed into a solid economic partnership. Tür (2013) attributes this to two factors. The first is related to integrating the Turkish economy into global markets and an accompanying high level of economic growth. Second is the coming to power of AKP and how its foreign policy vision developed to align and conform to the interests and influence of the most influential capitalist groups. A catalyst in all this was the need for more trade to boost economic growth. With its oil-based wealth, the Gulf was just the central region for this purpose. Once the AKP came to power, it responded to the pressure from the capitalist groups to strengthen relations with the Middle East and the Gulf region especially. The global economic crisis also opened the way for Turkey to become an actor in the post-crisis economy. G20 replacing G8 was an important development in this period, enabling more countries to play a role (Oniş, 2011; 12).

The global crisis also enhanced the trans-nationalisation of Turkey's small and medium-sized companies. The early 21st century witnessed the emergence of the Eastern bloc as a new economic player and global trade partner. Global investment schemes, capital flows, trade dynamics for emerging economies, and the domestic political environment contributed to Turkey's enhanced economic performance (Babacan, 2011; 131). Turkey also attracted 84 billion dollars of FDI between 2002 and 2009 (UNCTAD, 2010). Recognising the growing significance of the Eastern bloc, Turkey managed to re-position itself accordingly. For example, BRICS, ASEAN countries, and other developing economies of the G20 prospered in the global economy in the post-2008 crisis period. As a result, the FTA created by Turkey has effectively expanded and diversified Turkish exports (Babacan, 2011; 134).

Turkey stepped up its engagement with Africa, adding 30 new embassies, taking the total number to 42 (Ozkan, 2010; 533-540). Turkey justified this growing involvement in Africa in both economic and political terms. To a great or lesser extent, countries such as Egypt, Libya, Algeria, and Tunisia had Ottoman associations in the past. Also, Turkey's global ambitions, reflecting its near neighbours' approach, stressed the need for compatibility (Ozkan, 2010; 533-540). As a result, Turkey's trade volume with African countries soared from 4.3 billion dollars in 2003 to 23.5 billion dollars in 2018. By 2008, contracting services provided by Turkish firms and Turkish FDI in Africa exceeded 500 million dollars. TUSKON also encouraged medium-sized Turkish enterprises to get more involved in international trade, which resulted in a substantial investment by 134 TUSKON members in Africa (Ozkan and Akgun, 2010; 525-546). Turkish investments increased as trade with the Middle East and North Africa grew. In Egypt, Turkish companies established factories, mainly in textiles. However, after the Egyptian army toppled Morsi and Sisi came to power, relations between Turkey and Egypt soured, and Turkish investments in Egypt were negatively affected.

With the onset of Arab Spring, confusion and concern seemed to characterise Turkish foreign policy lest it might upset the balance of trade it had helped establish. Turkey wanted to maintain the economic relationships and the significant number of Turkish investments in the region. The Libyan uprising to topple Gaddafi was an example of the Turkish administration's confusion. Recep Tayyip Erdoğan, prime minister in 2011, spoke out against a NATO operation in Libya. Then, realising that it was in Turkey's interests to resolve the issue quickly, he switched to approve such a move. (Robins, 2013). Turkish exports to Libya rose to \$1.9 billion between 2009 and 2010

but fell to \$747.7 million during the uprising. With Gaddafi toppled and the new administration in place, recorded exports totalled \$526 million in the first quarter of 2012 (MFA, 2013). It appeared that the Arab Spring was having a disturbing effect on the balance of trade.

From 2010 on, Turkey attempted to influence regional politics, but this proved costly for its economic interests. The AKP government opted to act independently from the West in major regional and international conflicts, striving instead to establish itself in a position of regional leadership. Therefore, AKP's foreign policy was adjusted according to the public's sentiments towards a particular issue. The party had successfully used this proactive foreign policy to portray itself as a globalist to achieve an advantage over its nationalist rivals in that period. Despite giving the party a domestic boost in terms of popularity, it worked against the economic interests of Turkey.

With the Strategic Depth doctrine collapsing after the Arab Spring and Davutoğlu no longer being the Prime Minister by 2016, there was also a policy change with the Mavi Vatan (Blue Homeland), a naval doctrine developed by the Turkish Navy that became one of the foundation stones for Turkish foreign policy and security considerations, representing a new discourse and a departure from the previous foreign policy understanding. It aims to establish a new position for Turkey as a huge regional naval power in and around the Mediterranean. Tol and Taşpınar (2016) consider this hybrid policy a "Green (Islamist)-Kemalist (Republican)" alliance between the government and the military. They claim it unites them with a mutual and extensive concern about the security and wellbeing of the state (*devletin bekası*).

The Mavi Vatan doctrine is based on two pillars. The first outlines the maritime jurisdiction areas claimed under Turkish sovereignty, such as territorial waters, the continental shelf, and the Exclusive Economic Zone (Arateos 2020). Second, Turkey's global maritime perspective is presented by the second pillar. Finally, Kiniklioglu argues that the Mavi Vatan doctrine demands that the national interests be protected beyond Turkey's current borders from a broader perspective (Arateos, 2020; 9). This vision is also driven by economic and political considerations to make Turkey's energy independent and boost the economy. Finally, the country stands to benefit from prospective gas supplies, transit revenues, and possible gas exports, all of which could strengthen Turkey's geopolitical significance within the region.

6.5 Foreign Direct Investment (FDI) Flows in Turkey 2002-2018

Until 2002, total FDI into Turkey stood at only \$15 billion, while the country has since attracted around \$209 billion of FDI in the 2003-2018 period (Investment office, 2020). Between 2010 and 2019, total capital FDI inflow to Turkey has been around \$130 million, while total capital outflow has been close to \$35 million (OECD, 2020). During the past 16 years, the finance and manufacturing sectors have attracted the highest FDI in Turkey.

Capital inflows between 2010 and 2013 contributed to a temporary economic upswing, making Turkey one of the fastest-growing economies between 2010 and 2011 (Akçay, 2018). The AKP administration enjoyed cheap credit until 2013, which proved helpful in satisfying its electorate. The foreign policy initiatives provided the new entrepreneurs and business owners with new commercial ties in foreign countries. Exports to OIC (Organization of Islamic Countries) countries went up from

\$602 million in 2000 to \$41.2 billion in 2016, and imports in the same period rose from \$6.3 billion to \$23.1 billion (Comcec, 2017).

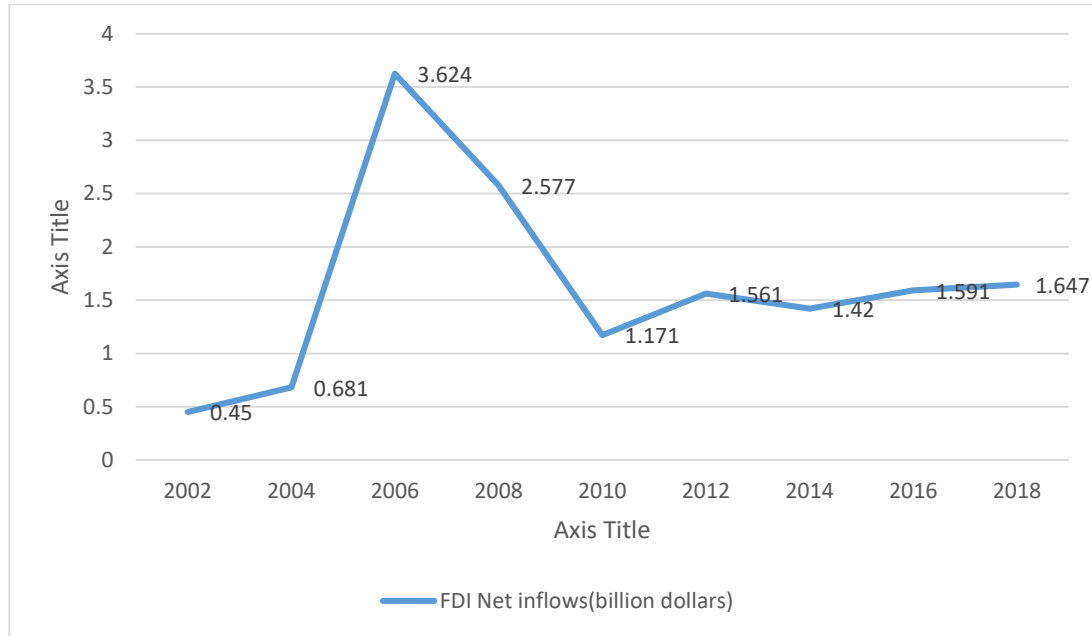


Figure 2: FDI net inflows between 2002 and 2008 (billion dollars)

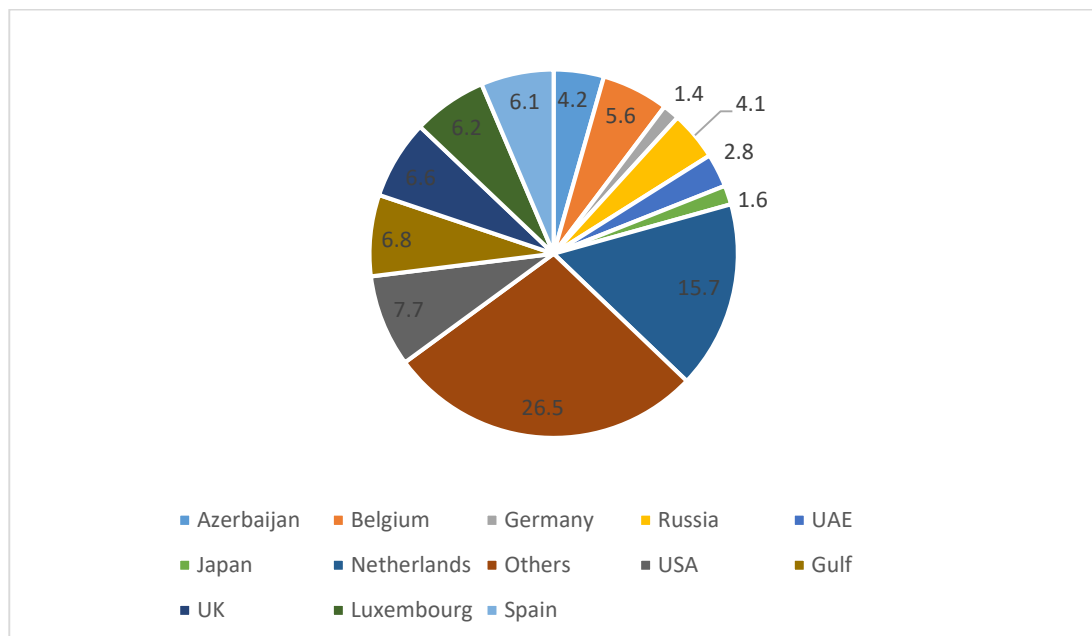


Figure 3: FDI to Turkey between 2002 and 2018 in terms of origin. Source: invest.gov.tr

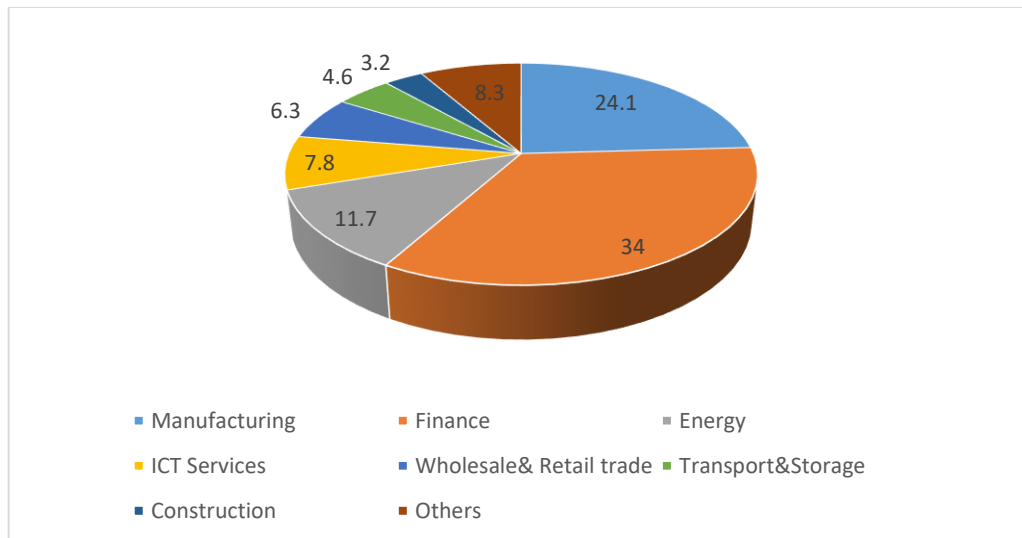


Figure 4: FDI in Turkey between 2002 and 2018 in terms of sectors. Source: invest.gov.tr

By the end of 2018, the number of companies with foreign capital in Turkey hit 65,533, up from 5,600 in 2002 (invest.gov.tr, 2020). Most FDI inflows to Turkey originated from Europe, North America, and the Gulf countries over the past 16 years, but Asia's contribution has risen noticeably. For the AKP government, the trade balance proved vital. When analysed, specific alterations in Turkish trade are evident. Turkish foreign trade, which made up 13% of GDP in 1975, had risen to 50% by 2019 (TUIK, 2020a). Turkish foreign trade, which accounted for 19 billion in 1985, had grown to 374 billion by 2019 (TUIK, 2020b).

Trade between the Middle East and Turkey grew by 25% between 2009 and 2019 (Turkeyol, 2019). The most considerable growth was recorded with Iraq, up 141%, followed by Yemen, plus-105%, Jordan with 97%, and Saudi Arabia with 59% (Turkeyol, 2019), 75% of the trade between Turkey and Middle Eastern countries was with Iraq, the United Arab Emirates, Saudi Arabia, and Qatar.

The countries with the most considerable growth in trade (total imports and exports) in the Middle East are listed in the table below in US dollars (billions).

Table 2: The countries with the most considerable growth in trade (total imports and exports)

Year	Iraq	Yemen	Saudi Arabia	Jordan
2009	5.20	0.379	2.54	0.475
2010	6.15	0.331	3.6	0.613
2011	8.4	0.273	4.7	0.572
2012	10.97	0.4587	5.84	0.865
2013	12.1	0.63	5.2	0.8
2014	11.15	0.648	5.3	1.03
2015	8.84	0.405	5.5	0.95
2016	8.47	0.556	5	0.812
2017	10.57	0.571	4.84	0.79
2018	9.77	0.73	4.94	0.95
2019	11.9	0.974	5.29	0.715

Source: (WITS, 2022)

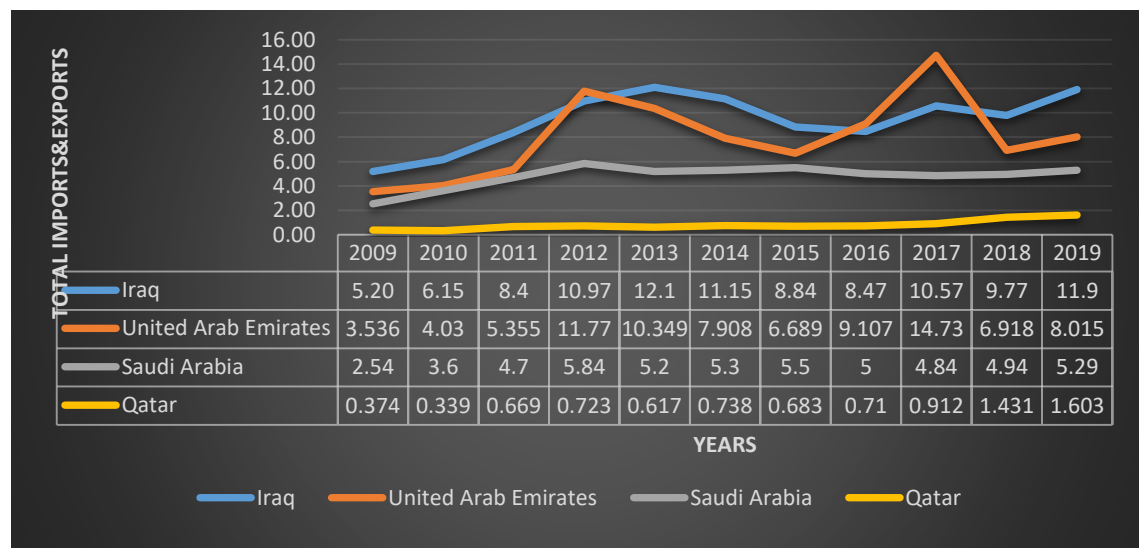


Figure 5: Turkey's total trade with the main trading partners in the Middle East in US dollars (billions) Source: WITS, 2022

The following export product groups represent Turkey's top 10 global exports during 2019. Also shown is the percentage share of each export category represents in terms of overall exports from Turkey (Worldstopexports.com, 2020). Turkey's top 10

exports accounted for roughly three-fifths (60.9%) of the overall value of its global shipments. Vehicles and machinery appear to cover almost 25% of total Turkish exports. The top exporting companies are those that export vehicles.

Table 3: Turkey's top global exports in 2019 (Worldstopexports. com, 2020)

Product	Value in US dollars (billion)	% of total exports
Vehicles	26.2	15.3
Machinery (including computers)	16.5	9.6
Iron, steel	9.9	5.8
Knit or crochet clothing, accessories	9.1	5.3
Electrical machinery, equipment	8.7	5.1
Gems, precious metals	7.3	4.3
Mineral fuels, including oil	7.3	4.3
Articles of iron or steel	6.5	3.8
Clothing, accessories	6.5	3.8
Plastics	6.3	3.7

Table 4: Most exporting firms in Turkey 2016-2018

2016	2017	2018
Ford Otomotiv (Vehicles),	Ford Otomotiv (Vehicles),	Ford Otomotiv (Vehicles),
Tofaş Türk Otomobil (Vehicles)	Toyota Otomotiv (Vehicles)	Toyota Otomotiv (Vehicles)
Oyak-Renault Otomobil (Vehicles)	Tofaş Türk Otomobil (Vehicles)	Tofaş Türk Otomotiv (Vehicles)
Kibar Dış Ticaret (Iron, Steel)	Oyak-Renault Otomobil (Vehicles)	Kibar Dış Ticaret (Iron, Steel)
TÜPRAŞ (Petroleum, Gas)	TÜPRAŞ (Petroleum, Gas)	TGS Dış Ticaret (Clothing, accessories)
Vestel Ticaret (Electronics)	Kibar Dış Ticaret (Iron, steel)	TÜPRAŞ (Petroleum, Gas)

Toyota Otomotiv (Vehicles)	Vestel Ticaret (Electronics, machinery)	Vestel Ticaret (Electronics, machinery)
Arçelik (Electronics),	Arçelik (Electronics),	Arçelik (Electronics),
Bosch (Electronics)	Bosch (Electronics)	Oyak Renault (Vehicles)
TGS Dış Ticaret (Clothing, accessories)	Mercedes-Benz (Vehicles),	Habaş Sınai Gazlar AŞ (Mineral fuels) Source: Tim.org.tr(2020)

When we examine the top-performing export companies from 2016 to 2018 in the table above in terms of their membership, most of them are still TÜSİAD members. Ford Otomotiv, Tofaş Türk Otomotiv, Tüpraş, and Arçelik all belong to Koç Holding, Toyota Otomotiv to Sabancı Holding, both of them TÜSİAD members. The only known MÜSİAD member is Habaş Sınai Gazlar AŞ. Kibar Dış Ticaret and Vestel Ticaret (Zorlu Holding) are members of TÜSİAD and DEİK (Dış Ekonomik İlişkiler Kurulu; the Foreign Economic Relations Board of Turkey). According to the TÜSİAD website, 85% of foreign trade is carried out by TÜSİAD members, apart from the energy sector (TÜSİAD, 2020).

AKP's foreign policy initiatives to trade more regionally have enabled access to new markets for the Islamic-conservative and Western-secular bourgeoisie. However, this has not transformed into a well-planned long-term policy despite the attempt to create regional economic zones. As a result, Turkish exporters continue to depend on state policies and governmental connections to reach new markets. The Arab Spring and the failure of Turkey's foreign policy to deliver the intended results left the Turkish economy overly dependent on the construction and service industries. As a result, they paved the way for financing from Arab countries (Ongur, 2018).

In an attempt to make up for the losses Turkish Wealth Fund was established by the draft law passed in the Turkish Grand National Assembly on 19 August 2016 with 217 votes for and 22 votes against. The fund's official name became Wealth Fund Administration Public Limited Company of Turkey. While being initially connected to the Prime Ministry of Turkey, the fund was connected to the Presidency with the regime change in Turkey through Presidential Decree No. 2018/162 on 11 September 2018 (Dönmez and Erek, 2018; 63). According to the first article of the decision, the head of the board is the President of Turkey, who also appoints a vice-president among the board of directors.

The Turkish National Fund aims to provide diverse and profound financial market tools, guide public assets into the financial system, get external resources, and find capital for mega projects (Dönmez and Erek, 2018; 64). The aims can be argued to represent policies toward growth and development and an attempt to create a stable economy. The company would be involved in many market transactions and project developments, work towards creating financial resources for the projects and provide foreign credit and capital. Its financial operation would be based in international and local markets. Also, the company will collaborate with other countries and foreign firms on joint projects (Dönmez and Erek, 2018; 66)

TÜSİAD has become vocal with its criticism of the AKP government since the Turkish lira has been steadily depreciating since the transition to the presidential system in 2018. The depreciation of the lira and high inflation have destabilised the Turkish economy. The heavily affected members of TÜSİAD have made the most extensive and longest-term investments (Soydan, 2021). Erdoğan's obsession with interest rates has led him to dismiss Mehmet Şimşek, who served as Turkey's finance

minister until 2018 and appoint his son-in-law Berat Albayrak, who would implement Erdoğan's interest policy, causing the Turkish economy to be volatile.

6.6 Conclusion

Domestically, the AKP has united various factions of the bourgeoisie by its neoliberal economic policies, which were centred on financial capital inflows, privatisation of state enterprises, reduction of real wages, and extensive use of subcontracting made possible through changes in the law. As a result, both the first generation bourgeoisie and second-generation bourgeoisie benefited from AKP's new capital accumulation processes. With the new foreign policy outlook, the market for Turkish exports expanded as a critical requirement of the neoliberal hegemony.

The AKP government also used the privatisation of state assets and state-owned industries to direct the capital accumulation process while establishing legal and institutional conditions to serve these interests to maintain the support and loyalty of the capital groups. As a result, the finance and manufacturing sectors became the chief recipients of FDI. Through such steps, neoliberal hegemony merged and expanded, with conservatism and authoritarian populism helping the party gain and keep popular support.

Turkey's foreign trade has multiplied because it pursued economic interests in line with its strategic depth doctrine. As a result, it became the principal element of the country's diplomacy. Also, bourgeoisie groups increasingly influenced the conduct of Turkish foreign policy. Finally, the AKP has served the bourgeoisie groups by pursuing new market openings in its official state visits, conferences, and forums. AKP's foreign policy has helped create new markets and expand trade, which

benefited the first generation and second generation bourgeoisie in their efforts toward capital accumulation. This foreign policy orientation mainly benefited TUSIAD members when analysed by top exporting companies. However, it is also clear that the share of MUSIAD members in overall trade increased. The trade shift to Africa and the Middle East, especially after the global economic crisis, provided the second-generation bourgeoisie, represented by MÜSİAD, a new trading bloc for investments and trade. In AKP's second term, the connection between these groups and AKP became more visible and the second generation bourgeoisie became even more closely aligned with AKP.

However, AKP's involvement in the Arab Spring proved costly for economic interests. The AKP government acted independently from the West in these significant regional and international conflicts, striving for a regional leadership role. In the Syrian civil war, the government became embroiled in the conflict by siding with Morsi in Egypt and against Bashar el-Assad. If it had not disturbed the trade balances, the second generation bourgeoisie represented by MUSIAD could have further increased its exports and investments. Moreover, Erdoğan's authoritarian rhetoric became very visible with the change in Israel and Syria's economic and diplomatic relations. This change in rhetoric leading to diplomatic conflicts has enabled the AKP to exploit a conservative/nationalistic climate to preserve its moral and intellectual leadership among its electorate. Also, it has proved useful domestically despite all the failed policies of economic development and social justice (Hoşgör, 2014; 216).

After the Arab Spring, Turkey's strategy for capital accumulation in the Middle East has not delivered the intended outcomes. With the Arab Spring, trade balances have

been disturbed, and Turkey has lost many main economic partners in the region, such as Syria, Egypt and Libya. However, despite all the positive developments, the Turkish economy remains dependent on external financing, and the companies remain dependent on state policies and support.

The foreign policy of the AKP has promoted the trading range of the bourgeoisie by enabling them to access new markets. However, judging by the figures, it can be argued that the primary beneficiaries of this policy have been the TÜSİAD members. As a result, AKP's foreign policy has contributed to the capital accumulation process and enabled economic gains for the bourgeoisie, contributing to the neoliberal hegemony.

Chapter 7

ANALYSIS

This thesis has argued that the 'hegemony' concept developed by the Italian philosopher Antonio Gramsci is a useful theoretical lens to help understand how the AKP adopted and preserved the neo-liberal hegemony and how foreign policy tools have helped sustain the party's domestic success and support base. According to Gramsci, the supremacy of a social group or class becomes visible in two ways: Domination and coercion and intellectual and moral leadership. This latter type of supremacy makes up hegemony. Social control of society takes two primary forms: besides influencing and shaping behaviour from the outside through rewards and punishments, the process also affects society internally by shaping personal beliefs into a replica of prevailing norms (Femia, 1987; 25).

Therefore, hegemony is the predominance that has been attained through consent in society rather than the force of one class or group over other classes. Also, this ideological dominance must have solid economic roots: If hegemony is based on an ethnic-political structure, it must also have its base in the decisive function that the dominant group exerts in the vital core of economic activity (Femia, 1987; 28).

Research Questions

My research question is: "How does AKP's foreign policy contribute to the consolidation of neoliberal hegemony in Turkey"?

The key argument of this thesis has been that the AKP has successfully established and merged the hegemony of the bourgeoisie for the first time in the history of the Turkish Republic. This thesis aimed to show that besides the domestic sources of this neoliberal hegemony, AKP's foreign policy played an essential role in contributing to this hegemony. Also, this thesis assumed that this shift in the foreign policy of the AKP is a constitutive factor in creating a hegemonic project in Turkey.

In the second sub-period (post-2010), the AKP used Sunni Islamist values to intervene in the Middle Eastern countries undergoing significant upheaval following the Arab Spring. Those who have been critical of foreign policy have been addressed as domestic adversaries and as those opposed to national development. This exclusionary strategy has enabled the AKP to create a unique domestic political environment, legitimised its actions in the Middle East and attempt to consolidate neoliberal hegemony.

Driven by vigorous growth domestically, Turkish investments in the Middle East and North Africa have helped to strengthen Turkey's economic and diplomatic relations with these states and present the region with an alternative development model to the one they had experienced. In addition, the Turkish government employed foreign policy tools of economic interdependence and soft power with the new regimes to create strong bonds (Keyman and Gumuscu, 2014; 90-92).

This proactive foreign policy of AKP can be seen as complementary to the party's goal of neoliberal hegemony, which aims to create interdependency between domestic, regional and international policy areas through incorporating security, economy and democracy. AKP's foreign policymaking is also closely linked with the

party's domestic ambitions of effective governance and neoliberal growth, which deliver electoral success to the party (Keyman and Gumuscu, 2014).

The critical actors in this process were first-generation bourgeoisie groups such as TUSIAD, second-generation bourgeoisie groups represented by MUSIAD, newly emerging business groups from Anatolian towns and cities and the Foreign Economic Relations Board of Turkey (DEIK). However, the new elite Middle East was considered a region with unexploited economic opportunities and extending their connections to the Middle East would prove highly beneficial (Köstem, 2018; 744). The linkage of state and capital has provided the bourgeoisie groups access to new markets.

Turkey's foreign trade has multiplied because it pursued economic interests in line with its strategic depth doctrine. It became the principal element of the country's diplomacy. Also, bourgeoisie groups increasingly influenced the conduct of Turkish foreign policy. The AKP has served the bourgeoisie groups by pursuing new market openings in official state visits, conferences, and forums. Therefore, AKP's foreign policy initiatives to trade more regionally have enabled access to new markets for the Islamic-conservative and Western-secular bourgeoisie.

Analysed through this perspective, it can be realized that the foreign policy based on the Strategic Depth Doctrine needs to be understood as an extension of the neoliberal hegemony in Turkey by the bourgeoisie groups, which has gone beyond the traditional foreign policy practice to be a key regional actor in the Middle East and former Ottoman Empire territories (Yalvaç, 2016). The proactive foreign policy can also be

read along the lines of the interests of the Turkish export-oriented bourgeoisie and as a hegemonic geopolitical project (Yalvaç, 2016; 16).

The foreign policy initiatives provided the new entrepreneurs and business owners with new commercial ties in foreign countries. Exports to OIC (Organization of Islamic Countries) countries went up from \$602 million in 2000 to \$41.2 billion in 2016. Imports in the same period rose from \$6.3 billion to \$23.1 billion (Comcec, 2017). When analysed, specific alterations in Turkish trade are apparent. Turkish foreign trade, which made up 13% of GDP in 1975, had risen to 50% by 2019 (TUIK, 2020a). Turkish foreign trade, which accounted for 19 billion in 1985, had grown to 374 billion by 2019 (TUIK, 2020b). Trade between the Middle East and Turkey grew by 25% between 2009 and 2019 (Turkeyol, 2019). The most considerable growth was recorded with Iraq, up 141%, followed by Yemen, plus-105%, Jordan with 97%, and Saudi Arabia with 59% (Turkeyol, 2019). Also, 75% of the trade between Turkey and Middle Eastern countries was with Iraq, the United Arab Emirates, Saudi Arabia, and Qatar.

The foreign policy of the AKP has promoted the trading range of the bourgeoisie by enabling them to access new markets. However, judging by the figures, it can be argued that the primary beneficiaries of this policy have been the TÜSİAD members. AKP's foreign policy has contributed to the capital accumulation process and entitled the bourgeoisie, contributing to the neoliberal hegemony. However, it is also clear that the share of MUSIAD members in overall trade increased. The trade shift to Africa and the Middle East, especially after the global economic crisis, provided the second-generation bourgeoisie, represented by MÜSİAD, a new trading bloc for investments and trade.

Domestically, the AKP has united various factions of the bourgeoisie by its neoliberal economic policies, which were centred on financial capital inflows, privatisation of state enterprises, reduction of real wages, and extensive use of subcontracting made possible through changes in the law. As a result, both the first generation bourgeoisie and second-generation bourgeoisie benefited from AKP's new capital accumulation processes. The AKP government also used the privatisation of state assets and state-owned industries to direct the capital accumulation process while establishing legal and institutional conditions to serve these interests to maintain the support and loyalty of the capital groups. As a result, the finance and manufacturing sectors became the chief recipients of FDI. As a result, the neoliberal hegemony merged and expanded, with its mix of conservatism and authoritarian populism helping the party to gain and keep popular support.

Turkey's foreign trade has multiplied because it pursued economic interests in line with its strategic depth doctrine. It became the critical element of the country's diplomacy. Also, bourgeoisie groups increasingly influenced the conduct of Turkish foreign policy. The AKP has served the bourgeoisie groups by pursuing new market openings in official state visits, conferences, and forums. The policy became much more apparent during AKP's second term of office, from 2007 onwards. Moreover, exports have grown much more than imports, matching Turkey's growth ambitions.

AKP's foreign policy has helped create new markets and expand trade, which benefited the first generation and second generation bourgeoisie in their efforts toward capital accumulation. This foreign policy orientation mainly benefited TUSIAD members when analysed by top exporting companies. However, it is also clear that the share of MUSIAD members in overall trade increased.

The Middle East became the principal focus of Turkish foreign policy initiatives in the second term of the AKP government, both concerning government policy and NGO activities. While in 2008, the export share of the Middle East and North Africa was 22.4% of total exports, this rose to 24.59% in 2009 and to 24.94% by 2010.

The trade shift to Africa and the Middle East, especially after the global economic crisis, provided the second-generation bourgeoisie, represented by MÜSİAD, a new trading bloc for investments and trade. In AKP's second term, the connection between these groups and AKP became more visible and the second generation bourgeoisie became even more closely aligned with AKP.

Chapter 8

CONCLUSION

Since the formation of the first openly Islamic party in the 1970s, Turkish democracy has experienced a clash between Islamists and secularists. After the formation of the Turkish republic, religion was controlled by state institutions. Because Kemalist principles were not fully spread over the country, this led to an alternative form of Islamic culture, mainly in the Anatolian provinces. The Turkish-Islamic Synthesis introduced by the military after the coup made Islam more socially acceptable and more visible in the public sphere. Aiming to use Islam as a counterweight to left-wing ideology, these policies have resulted in the Islamists gaining more influence over the society and having more access to capital and therefore attaining more power. Business groups such as MUSIAD started becoming more influential because of this process.

The reforms carried out after the coup made it possible for the Islamists to expand their support and capital base. It was also pointed out that the second generation Anatolian bourgeoisie, who are socially conservative and economically liberal, form the support base of the AKP and have contributed to the party coming to power. With the coming of the power of the AKP, this group wanted to have access to new markets to expand further.

The strategies used by the AKP government to establish domestic hegemony have been labelled as economic growth and urban transformation, social assistance schemes, and the use of symbolic and ideological sources. These policies have helped the party get the consent of the working class. The neoliberal populism employed by the party has helped to consolidate the neoliberal hegemony it has established in Turkey.

Economic growth in Turkey has been achieved at the expense of heavy privatisation and de-unionisation of the workers, Turkish society becoming more unequal and having less job security. The growth has been presented as benefiting all of those in society, and the AKP has presented itself as a protector of the poor to get the electoral support of the working class. As a result, the Turkish economy runs on fragile terms, with the construction sector booming to create a macroeconomic balance.

The urban transformation has destroyed the environment and has led to many people, especially the working class, being moved out of their neighbourhoods with the promise of better housing. Low-interest loans have been offered, and as a result, the construction sector has boomed, a process led by the TOKI administration. Since society can easily recognise the outcomes of the urban transformation, it has contributed to the domestic hegemony. The social security and health care system were subject to radical restructuring. With the money mainly transferred to charities closely linked to the government, promoting Islamic values through these cash schemes has been possible. Lack of transparency has meant promoting relations based on patronage at the local and national levels.

Any class, national and religious differences have been disregarded in creating the new so-called 'national unity. It has shaped the 'ethical' and political relationship between the citizens and the state. It worked in favour of the AKP by developing the consent or submission of the citizens to the existing establishment and political rule. However, after the Gezi uprisings, there was a clear change of tone in the AKP's rhetoric, becoming much more confrontational. Any opposition to the government has been labelled as 'hostile' and 'external'. Instead of national unity, the rhetoric of AKP changed to 'Us' and 'Them'.

The neoliberal hegemony supported by the AKP has involved the construction of the nation as a homogenous unit typical of populist regimes. Such a construct is helpful in hiding inequalities in a neoliberal order, serving the strategy of removal of class-based politics. By constantly referring to internal and external 'enemies' and 'threats', populism has disregarded any differences in the society and considered Turkey a nation under one enormous umbrella, making its neoliberal hegemony unquestionable.

AKP's 'zero-problems with neighbours' policy has had to respond to the events of the Middle East, which involved conflict and resistance, human tragedy and increasing risks of civil war and peaceful regime change. To put it differently, these developments made the 'zero-problems with neighbours' policy challenging to survive. For some examples, Turkey remained silent. However, the democratic rhetoric used by Erdogan extensively in other countries did not seem to extend to all countries. Instead, the government changed its response to the events from one country to another and even within countries on how they seemed to affect the Turkish interests.

In the second sub-period (post-2010), the AKP used Sunni Islamist values to intervene in the Middle Eastern countries undergoing significant upheaval following the Arab Spring. Those who have been critical of foreign policy have been addressed as domestic adversaries and as those opposed to national development. With this exclusionary strategy, the AKP aimed to create a unique domestic political environment, legitimise its actions in the Middle East and attempt to consolidate neoliberal hegemony. However, such involvement has proven costly for Turkish interests, disturbing the trade balances established before the Arab Spring and leading to the collapse of the hegemonic ambitions.

Therefore, the AKP used the Arab Spring to contribute to its political aims in Turkey. The domestic adversaries were associated with international adversaries where international foes such as Assad, Israel and Iran were presented as being in collaboration with the major opposition party CHP, Gezi protestors and the Gülen movement in what appears to be an impossible alliance. The AKP's foreign policy, on the contrary, was argued to be an extension of the national/popular will (Gürpınar, 2020; 16). Nevertheless, the Strategic Depth and 'Zero problems with neighbours' policy of the AKP collapsed because of involvement and taking sides in these conflicts.

The AKP supported Sunni-Islamist groups in Syria, Egypt and Libya and Tunisia. Turkey supported the Syrian opposition in Syria and promoted an international coalition to remove Assad from power, hoping that a Sunni-Islamist regime would emerge instead. The AKP also believed the electoral victory of the Muslim Brotherhood in Egypt could enable Turkey's political and ideological impact in the region. Since it was essential to consolidate domestic neoliberal hegemony to access

new markets or preserve the existing ones, Turkey preferred swift changes. However, Sunni-Islamist values did not prove helpful in the long term since trade balances were disturbed by the developments in Syria and Egypt.

The neo-Ottomanist discourse employed by the AKP for domestic neoliberal hegemony was shaken since the Arab Spring created an unstable political environment, and such manifestations did not deliver the intended influence on AKP's foreign policy. As a result, AKP's vision for the Middle East has not delivered the intended outcome. The discourse of democracy and free elections to legitimise the overthrow of the Assad regime failed. The fact that Turkey took on this mission with Saudi Arabia and Qatar-of which both are autocratic monarchies- proved unconvincing. Morsi's government was removed from power after a military coup in 2013. Ennahda in Tunisia had to step down in September 2013, meaning that Turkey had lost its closest allies in the region. "Zero problems with neighbours" vision of Ahmet Davutoğlu has received many setbacks, such as problems with Egypt after Sisi and the prolonged conflict in Syria. As a result, he resigned from his position in May 2016.

Domestically, the AKP has united various factions of the bourgeoisie by its neoliberal economic policies, which were centred on financial capital inflows, privatisation of state enterprises, reduction of real wages, and extensive use of subcontracting made possible through changes in the law. As a result, both the first generation bourgeoisie and second-generation bourgeoisie benefited from AKP's new capital accumulation processes.

The AKP government also used the privatisation of state assets and state-owned industries to direct the capital accumulation process while establishing legal and institutional conditions to serve these interests to maintain the support and loyalty of the capital groups. As a result, the finance and manufacturing sectors became the chief recipients of FDI. As a result, the neoliberal hegemony merged and expanded, with its mix of conservatism and authoritarian populism helping the party to gain and keep popular support.

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AKP's involvement in the Arab Spring proved costly for economic interests. The AKP government acted independently from the West in these significant regional and international conflicts, striving for a regional leadership role. In the Syrian civil war, the government became embroiled in the conflict by siding with Morsi in Egypt and against Bashar el-Assad. Suppose it had not disturbed the trade balances. In that case, the second generation bourgeoisie represented by MUSIAD could have further increased its exports and investments since this is the group's accumulation process started later than TUSIAD members and has a lower share in total exports in comparison. TÜSIAD has become vocal with its criticism of the AKP government since the Turkish lira has been steadily depreciating since the transition to the presidential system in 2018. The depreciation of the lira and high inflation have destabilised the Turkish economy. The heavily affected members of TÜSIAD have made the most extensive and longest-term investments

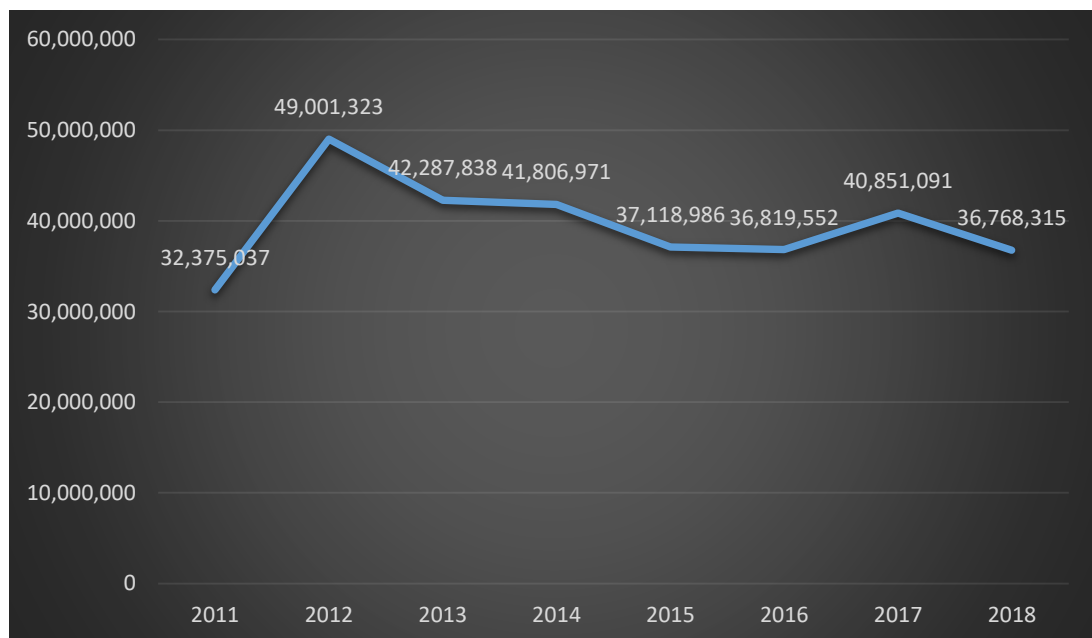


Figure 5: Total Turkish exports to the Middle East and North Africa (US dollars thousand) Source: (WITS, 2022)

As the above chart demonstrates, Turkish exports to the Middle East and North Africa never reached the levels of 2012 and have been disturbed, delivering inconsistent results. After the Arab Spring, Turkey's strategy for capital accumulation in the Middle East has not delivered the intended outcomes. With the Arab Spring, trade balances have been disturbed, and Turkey has lost many main economic partners in the region, such as Syria, Egypt and Libya. However, despite all the positive developments, the Turkish economy remains dependent on external financing, and the companies remain dependent on state policies and support.

Therefore it can not be argued that Turkey has become a trading state as it was aimed to be in the long run. The foreign policy of the AKP has promoted the trading range of the bourgeoisie by enabling them to access new markets. However, judging by the figures, it can be argued that the primary beneficiaries of this policy have been the TÜSİAD members. As a result, AKP's foreign policy has enabled a new capital accumulation process and entitled the bourgeoisie, contributing to the neoliberal hegemony.

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