

**A CRITICAL REVIEW OF THE DEBATES ON POPULISM:
POLITICS OF IMPORT SUBSTITUTION INDUSTRIALISATION OR A
HEGEMONIC PROJECT ?**

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D.BURCU EĞİLMEZ

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Approval of the Graduate School of Social Sciences

Prof. Dr. Sencer AYATA
Director

I certify that this thesis satisfies all the requirements as a thesis for the degree of
Master of Science.

Prof. Dr. Feride ACAR
Head of Department

This is to 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 Master of Science.

Assist. Prof. Dr. Galip L.YALMAN
Supervisor

Examining Committee Members

Assist. Prof. Dr. Galip L.YALMAN

Assist. Prof. Dr. Fahriye Üstüner

Assoc. Prof. Dr. Nazım Ekinci

ABSTRACT

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Eğilmez, D.Burcu

M.S., Department of Political Science and Public Administration

Supervisor: Assist. Prof. Dr. Galip L. Yalman

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The impact of the World Depression of 1929 and the 2nd World War on many developing countries has been significant in terms of economic and political changes. Among the important transformations, changes in accumulation models, political discourses, balance of class forces and/or political regimes can be mentioned. The main objective of this thesis is to undertake a critical review of the debates centring on the concept of populism in Latin America as well as in Turkey so as to account for these changes. The predominant tendency in these debates has been to establish a correlation between populist policies and/or import substitution industrialisation strategy. In this study it is argued that, the line of thought which

tried to analyse the developments in Argentina and Brazil as well as in Turkey from 1929 until the 1980s on the basis of such a correlation does not provide an adequate explanation. Instead, it is proposed that the concept of populism can enhance our understanding to the extent that it is conceived as a hegemonic project.

Keywords: Populism, Import Substitution Industrialisation, Hegemonic Projects

ÖZ

POPÜLİZM TARTIŞMALARINA ELEŞTİREL BİR YORUM: İTHAL İKAMECİ KALKINMA STRATEJİLERİNE ÖZGÜ BİR SİYASAL BİÇİM Mİ, BİR HEGEMONYA PROJESİ Mİ?

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1929 Ekonomik Bunalımı ve onu izleyen 2. Dünya Savaşı gelişmekte olan birçok ülkenin ekonomik ve siyasi alanlarında önemli dönüşümlere sebep olmuştur. Değişen birikim modelleri, siyasi söylemler, sınıfsal dengeler ve siyasi rejimler bu gelişmeler içerisinde özellikle öne çıkanlardır. Bu çalışmanın temel amacı da gerek Latin Amerika gerekse Türkiye bağlamında bu değişimleri anlamaya ve açıklamaya çalışan ve popülizm kavramını temel alan çalışmaların eleştirel bir yorumunu yapmaktadır. Bu tartışmalarda öne çıkan eğilim popülizm ve ithal ikameci kalkınma stratejileri arasında bir bağ kurmak yönünde olmuştur. Bu çalışmada, Arjantin ve Brezilya örneklerinin yanısıra Türkiye’de de 1929 Bunalımından 1980’lere kadar

yaşanan gelişmeleri popülist politikalar ve ithal ikameci sanayileşme stratejileri arasında bir bağ kurarak analiz etmeye çalışan yaklaşımların yeterli bir açıklama sunmadığı, diğer taraftan, popülist politikaların hegemonya projeleri olarak algılandığı ölçüde gelişmeleri anlamamıza yardımcı olabileceği savunulmaktadır.

Anahtar Sözcükler: Popülizm, İthal İkameci Kalkınma, Hegemonya Projeleri,

To Özgür

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CHAPTER 1

INTRODUCTION

The World Depression of 1929 and the 2nd World War had considerable effects on political and economic spheres of some particular developing countries such as Turkey and Latin America. Changes in economic policies for integrating the world economy, changes in the form of politics, variations in the balance of class forces, transformations in the political regimes can be presented as the major shifts in the political and economic spheres of these particular countries. This particular study will seek to understand these developments from 1929 until the 1980s in Latin America as well as in Turkey. In fact, as it will be illustrated, one of the principal objectives of this thesis is try to understand the relationship between “crises”, “populism” and “Import Substitution Industrialisation” (ISI), which were used as key categories for analysing the post-war developments in Turkey and in Latin America, especially in Argentina and Brazil. In short, in order to understand the political and economic disequilibria in Turkey as well as in Argentina and Brazil, the attempts to establish a correlation between populist form of politics, ISI strategy and crises will be questioned. In the final analysis the answer for an alternative explanation for the period at the issue will be sought.

In the post-war period up until 1980s, there have been significant historical changes in Turkish political and economic life. Turkey experienced three major economic crises, each of which was followed by military interventions in the post-war period until 1980. These changes marked changing patterns of the relations between state and economy, as well as the relations between state and society. It has been debated that the changing patterns of relations were closely linked to the transformation of the capital accumulation model and form of politics. Within the structural limits determined by the post-war situation at the national and international level, it is commonly argued that Turkey adopted a specific accumulation model which is called ISI as its development strategy, and populism became the dominant form of politics in the period under research. In this respect, understanding the changes in Turkish political and economic life from the end of the Second World War until 1980s requires grasping the theoretical framework of ISI strategy and populism theory.

Accordingly, this particular study seeks to question the developments in Turkey from 1945 to 1980 within the framework of ISI and populism, which emerge as key categories in explaining the developments, and will try to explore the extent to which these studies enhance our understanding of the changing patterns of capital accumulation, form of politics and disequilibria in the political and economic life.

One of the main objectives of my thesis is to evaluate these kinds of explanations by taking into account the analysis of similar processes particularly about the ones having taken place in the Latin American context. If one reason for

focusing on Latin American experiences is related with the rich literature that may shed a light to the concern of the thesis, the other reason is the fact that the developments in Latin America had provided an important ground for a comprehensive debate of ISI and populism. Argentina, Brazil, Chile, Peru, Mexico and Uruguay were the Latin American countries where populist form of politics was implemented. Therefore the literature on these countries, especially on Argentina and Brazil, will be considered to grasp the debates on the concept of populism and ISI.

Until the World Depression of 1929, export-led type of industrialisation was the main strategy adopted by Turkey and Latin American countries for integrating with the world economy. However, soon after the foreign exchange shortages experienced due to the 1929 crisis, these countries sought alternative industrialisation models. With the abandonment of the export oriented industrialisation, ISI strategy was adopted. It was proposed that this strategy would not only help to get rid of dependency to foreign exchange, but it would also help to produce domestically, which would open a path for self-sufficient industrialisation. In this respect, it can be argued that ISI was presented to avoid the negative effects of 1929 World crisis by the establishment of the domestic market for producing previously imported goods.

As it will be illustrated, there are different approaches to ISI strategy in Latin America. First of all it has to be pointed out that Economic Commission for Latin America (ECLA) promoted ISI as the official development strategy in Latin America. This Commission, which is composed of scholars and bureaucrats, argued

that ISI model would help to escape the imbalances of the world economic developments once the industrialisation of the domestic industry is secured. On the other hand, in the 1960s, the debates on Latin America and ISI strategy were based upon the structuralist approach, which primarily focused on the impacts of international economic and political conjuncture on regional decisions. In this respect, dependency theory had considerable effects on the debates in the 1960s, which argued that the countries of the periphery were dependent on the advanced capitalist countries. Therefore the attempts in Latin America for adopting ISI strategy were viewed as the economic drive of the advanced capitalist economies, which define the formation of the accumulation model of the periphery and the way it integrates to world market. By the 1980s and the 1990s, the underlying approach was evaluating ISI as giving rise to bad macroeconomic policies. Therefore, it was regarded as an economic policy, which deteriorated the political and economic life of the period.

Despite varying approaches upon ISI, the theoretical framework is quite clear. It is commonly argued that this strategy was adopted soon after the 2nd World War in order to eliminate balance of payment difficulties and foreign exchange shortages by promoting the establishment of domestic market. This did not simply mean that all the goods, which were previously imported, would now be produced at the domestic market. On the contrary, it was planned as a sequential strategy. Firstly non-durable consumer goods, then more sophisticated manufactured goods would be produced. These two phases of ISI strategy is commonly named as the easy stage. In the third phase, intermediate goods and in the fourth, capital goods would be produced for the domestic market. For ISI to be successful, it is proposed

that all these phases should be completed. In order to achieve the production of these goods at the national market, State actively participated. For protection of the domestic market, tariffs and quotas were used as primary mechanisms. Moreover State directly took part in the investments in the key heavy industries.

Until the 1950s a favourable rate of growth was achieved in Latin American countries such as Argentina and Brazil. However, ISI strategy began presenting problems as well. There are also varying debates on the failure of ISI, which will be presented in the next chapter. However, to present it shortly it can be asserted that while the overprotection of the domestic market, exchange rate controls, technological inadequacy, difficulties in shifts from easy phases to the other phases are presented as the reasons of failures, unemployment, deterioration of the agricultural sector, budget deficits, inflation and overcapacity of the market were presented as the main outcomes of ISI model.

ISI is an important phenomenon not only because in the post war period Turkey and some Latin American countries such as Argentina and Brazil adopted it as a development strategy, but also because in debates on the concept of populism it has a peculiar importance. It is clear that populism led quite controversial debates among scholars in terms of both theorising the concept and debating the practical implications. There are quite distinct cases and movements that are labelled as populist in literature. This complexity namely stems from the approaches that try to define the concept of populism. As it will be illustrated populism is defined as a movement, as an ideology, as an ideology and a movement, as a transitional period

or as a superstructure of particular accumulation model. Therefore, the debates on Latin American populism also present this complexity.

In the post war period Latin America experienced crises stemming from both economic and political policies. Therefore the debates on Latin America focused to understand accumulation models, industrialisation attempts, class politics and regime changes. In this respect populism was one key concept to analyse the dynamics of the post-war Latin American politics. In the Latin American context, populism was also used in order to explain different facts such as class alliance, form of state and/or type of regime, movements, ideologies, industrialisation policy, etc. In other words, in terms of the debates in Latin America, we may see that there are explanations that either stress the political dimension of populism including class alliances, the relative autonomy of the state and mobilisation of the masses by state-led trade unions or economic dimension including ISI, distributive mechanisms, the state's role in accumulation process.

Similar to the debates on ISI, structuralist approach had also a prevailing effect on the concept of populism in Latin America. The strong correlation established between ISI and populism by the structuralist approach was one of the important debates on LA populism. Within this perspective it was argued that the easy phase of ISI was a particular feature of populist form of politics. In this respect, the failure of populism in Latin America is viewed as the incapability of the populist governments in realising the other levels of ISI. By the 1970s, on the other hand the substantial literature on Latin America has shifted from “structural approach” to the “transition approach”. In the transition approach, it was argued that

structural constraints cannot alone explain the changes in the political regimes, therefore in this approach “leadership and choice” and “the political creativity to overcome the structural constraints” were also taken into account. These approaches will be presented in detail in the next chapter. The debate on bureaucratic authoritarianism is also another important part of the topic. As we know, in some Latin American countries military interventions were experienced in the 1960s. The underlying reason for the rise of military regimes is regarded as the exhaustion of ISI under populist governments, which resulted in inflation, disequilibria in economic balances and social disorder. Therefore it is stated that in order to change the economic and social structure, the demands of the popular sectors should be excluded by the establishment of a bureaucratic authoritarian system based upon the coalition of military and civilian bureaucrats.

In such a context, it can be argued that both ISI strategy and populist form of politics had a considerable effect on Latin America’s economic and political life. As far as the crises that Argentina and Brazil experienced are taken into account in the post war period, we see that either ISI or populist form of politics, or both were regarded as the reasons of these crises despite varying emphasis on each. In this respect, the relationship established between ISI and populism, and their relationship with the crises is important to the extent that they may shed light to the Turkish experience.

In Turkish case, we see that Turkish scholars benefited from the literature on ISI and Latin American populism. It has to be stressed that the debates in Turkey differed from Latin American in terms of contents of the concepts. They were used

by stressing some aspects and by including some hypothesis of the concepts, and excluding the others. It is commonly argued that Turkey had experienced ISI strategy for a specific period of time. Despite varying ideas on the periodisation, it was argued that ISI was a characteristic of the 1950s and 70s. State intervention into infrastructure, protectionism, attempts for establishment of the domestic market have been presented as the decisive points of reference for ISI experience of Turkey. Besides, the factors such as growth in European economies, Turkey's role within the international conjuncture and the remittances of Turkish labourers are debated as external developments supporting ISI strategy. As it is in Latin America, after a considerable rate of growth ISI strategy began to present problems, which was followed by social unrest.

The period at the issue is also labelled as populist. Again there are controversial debates in terms of analysing populist period of Turkey. Similar to Latin America, Populism - ISI relationship, populist form of politics and form of state and/or type of regime relationship, populism-DP period were some of the debate points among scholars. However, it has to be asserted that the underlying tendency in terms of analysing populist form of politics was stressing distributive mechanisms and ISI strategy.

Due the complexity of populism concept, the attempts to clarify the concept should be included into the scope of this thesis. Therefore I will namely benefit Laclau's theory of populism for a better understanding of the developments in Latin America and Turkey. Laclau's theory of populism, based on the articulation of the popular interpellations by dominant ideological discourse, which necessarily arise

due to a crisis in the power bloc, and a segment of it struggle for exerting its hegemony against dominant class of the bloc, may give clues for an alternative debate on the developments that Turkey experienced in the post war-period. In this respect, as it will be illustrated the crises that stemmed from political and economic policies in the post-war period in Latin America and Turkey will be tried to analysed with reference to Laclau's theory of populism. The populism theory of Laclau is important in the sense that it opened path for an alternative analysis of the period with one important Gramscian concept, hegemony. Therefore, in Turkish case it will be explored if so-called populist period of Turkey can be analysed within the theoretical framework of "hegemony" concept.

Due to the necessary limitations of the thesis, it has to be asserted that a specific period of Turkey and Latin America, post-war until 1980- will be taken into account and as the objective of the thesis is not making a comprehensive historical analysis the developments of the period will be taken into account to the extent that they are related with the subject matter of the thesis.

In this respect, the main concerns of this study may be expressed in such questions: What kind of a relationship has been established between "crises", "ISI" and "populism"? Does this relationship enhance our understanding of developments in some particular Latin American countries and Turkey in the post-war period? How populism and ISI were analysed in terms of Latin American context and what are the differences in the Turkish case in terms of academic debates? To what extent these debates bring an explanation to the crises? Is there a relation between populism, a particular industrialisation strategy and political regime? What are

relations between state, economy and society in populist form of politics? Can Laclau's analysis of populism, crisis of power bloc and articulation of popular interpellations by the dominant ideological discourse to assert its hegemony on the power bloc, bring an alternative explanation to understand the crises in terms of populist form of politics? Can so-called populist form of politics be analysed with reference to Gramscian concept of hegemony?

In order to seek the answers of these questions, in the first chapter a critical survey on the theory of populism and the debates on Latin American populism will be presented. This chapter will also include the presentation of approaches and debates on IS type of industrialisation. In the next chapter, so-called populist experience of Turkey will be presented by a critical reading of the literature on populism and ISI. In the following part, Laclau's theory of populism and an alternative explanation to the populist experience of Turkey will be presented.

CHAPTER 2

A CRITICAL SURVEY OF THE THEORETICAL LITERATURE ON ISI AND POPULISM

2.1 IMPORT SUBSTITUTION INDUSTRIALISATION MODEL

In the analysis concerning the industrialisation period of the underdeveloped countries, ISI strategy has a peculiar importance. After the world crisis of 1929, export-led type of industrialisation policies were abandoned and ISI was adopted in many countries including Turkey. In this respect, in order to understand the type of relationship established between populism and ISI, and the impacts of this policy on the political and economic crises that some particular Latin American countries and Turkey experienced, the theoretical framework of the concept should be analysed. Therefore, I will namely benefit from the literature on the Latin American experience of ISI to present the debates on this specific industrialisation process.

Import Substitution Industrialisation is:

[a] growth strategy that reduces or eliminates entirely the importation of the commodity, and hence leaves the domestic market exclusively for domestic

producers...The objective is structural change or some kind of investment-incentive-creating idea (Bruton, 1970: 168).

The strategy was adopted for the economic development of the Latin American countries from the 1930's to the early 1960's. The primary concern for implementing ISI strategy was to achieve an industrial self-sufficiency and the establishment of the domestic market.

There are different approaches upon Latin America including the debates on ISI. As Cammack (1997) argues, the literature produced on Latin America in the 1960s were based upon "structural approach" which focused on:

[c]lass relations and their political consequences, and the significance of the international political and economic conjuncture: the state of the global political economy (in other words, the state of the global economy, and the character of international relations between states) and its specific regional dynamics at a particular moment in time... (Cammack, 1997: 155).

Dependency perspective was an important theory that influenced the debates in the 1960s. The structural context was the primary focus for the debate of politics. It was argued that Latin America was dependent on the advanced capitalist states of Western Europe and America for "capital, markets, technology and sophisticated industrial goods". It is argued that economies of peripheral countries are determined by the capitalist system, which means that it is the economic drive of the advanced capitalist economies, which define the formation of the accumulation model of the periphery and the way it integrates to world market.

In this respect, “highly respected economists in the Keynesian tradition – for example, Galbraith, Hirschman, Prebisch, Sunkel and Furtado- gave respectability to structuralism” (Conniff, 1999: 6). In their studies the dependency of peripheral countries to those of the developed ones is the prevailing idea, and ISI is evaluated within this context.

Furtado (1973) explains the dependency, which is a common point of debate in structuralism as such:

[t]he ability of certain countries to control technical progress and to impose consumption patterns became the decisive factor in the structuring the productive apparatus of other countries, which in consequence become dependent (Furtado, 1973: 118).

When analysing Latin America, and particularly its industrialisation policies, Furtado argues that the ruling class of the peripheral countries adopt the consumption patterns in developed countries. In this respect, he asserts that ISI acted on behalf of the “modernised minority”. In the initial phase of ISI, while the production of manufactured goods was in favour of the industries, which produced them, the relative decline of the prices of these goods was in favour of the minority with high income who consumed these goods. Furtado arguing that the wage rates for workers remain stable, he stresses IS in Latin American countries, and elsewhere, favours only a small minority in the society. Another important point in Furtado’s idea is that:

[o]nce the substitution process exhausts its main possibilities, the dynamic role has to be assumed by the new products produced domestically for the rich minority.

This is possible only if the dimensions of the economy allow a full process of industrialisation and if the political system is repressive enough to maintain income concentration (Furtado, 1973: 121).

The points that Furtado stressed and counter-ideas will be elaborated in details in this part. However, now I will present the analysis of Hirschman (1968), which is helpful in understanding the impulses of the strategy.

Hirschman presents the motive forces of ISI as “wars, balance of payment difficulties, growth of the domestic market and official development policy” (Hirschman, 1968: 5). These primary motives were more or less included in the analysis of ISI type of industrialisation made by other scholars.

The Second World War was the significant external factor that carried the economy to the threshold of IS type of industrialisation. It became urgent for developing countries to implement a new set of industrialisation policies to eliminate their dependence on the more advanced countries. Latin American countries such as Argentina and Brazil, which hitherto specialised in the export of primary products, started to face problems after the Depression. Like the other underdeveloped countries, Latin America faced a relatively slow growth of world demand for its traditional exports. Disappearing export markets, together with the foreign exchange shortages, forced Latin American countries towards an alternative strategy. It was thought that ISI would help to save the foreign exchange, which was used previously used for imported consumer goods by domestic manufacturing. Moreover, it was also thought that ISI would accelerate growth and industrialisation. The forthcoming policy was producing substitutes for imported

essentials. ISI aimed to produce previously imported consumer goods, which was to be followed by manufacturing of intermediate goods and machinery. The basic initiative behind choosing consumer goods was the cost advantage. Foxley and Whitehead (1980) argues that the cost disadvantage between domestically produced and imported consumer goods is less than for capital goods or for intermediate goods (Foxley & Whitehead, 1980: 169). Thus, it appeared to policy-makers that by preventing the importation of consumer goods, the advantages of ISI could be achieved at the minimum costs. Moreover, consumer goods were universally deemed inessential to development; and an increase in their costs and prices assumed to be less harmful than increases in the prices of capital goods. In this respect, only spare parts and raw material would be imported.

The strategy has helped Latin American countries to escape the imbalances in foreign exchange rates and also helped the development of domestic market and recruitment of growing population in the country.

It was thought that in a world of stagnant demand for the type of primary products, which the region had traditionally exported, ISI could provide a new dynamism and a greater amount of independence from the economic fluctuations, which originated in the traditional industrial centres of the world (Baer & Samuelson, 1977: 23).

Economic Commission for Latin America (ECLA) was the institution that promoted and supported the strategy for a growing industry in the Latin American countries. Cardoso & Helwege (1992) state that both the economists and the politicians agreed that the lack of foreign exchange was an important constraint on growth.

Therefore, in a world where the terms of trade moved against traditional primary export products domestic production would have to substitute for non-essential imports, freeing foreign exchange for needed inputs (Cardoso & Helwege, 1992: 85).

In addition to this argument, it was argued that while the productivity growth in agriculture would leave the labour unemployed, any growth in domestic industry would recruit the growing population with increasing productivity and income. It was also a common point of argument that “expansion of domestic production required protection against imports and active government support in reducing barriers to industrial growth” (Cardoso & Helwege, 1992: 8). Volatility of the prices of primary products was another factor that made risky concentrating of exports in primary goods. In the light of these explanations for favouring ISI strategy, it can be stated that the strategy recruited support from a large portion of population and theoreticians. Import Substitution Industrialisation has been generally defined and planned as a four-level strategy by ECLA theoreticians.

In the first stage the basic objective is the substitution of domestic production of previously imported simple consumer goods. In this stage the domestic market is directed towards producing basic non-durable consumer goods such as textiles, foodstuffs and pharmaceuticals. In the second level substitution through domestic production for a wide range of more sophisticated manufactured goods come to the agenda. The economy specialises on more complex products, known as consumer durables, such as motor vehicles, cookers, televisions and radios. In the third stage intermediate industries are promoted. Steel, petrochemicals, aluminium, etc. are supplied for the consumer goods industries. The fourth stage aims developing the domestic technology through a growing capital goods industry. (www.rrojasdatabank.org/impsubt.htm)

For the realisation of these levels of ISI, the state takes some protective measures such as tariffs and quotas. The long run success of ISI is achieved when the fourth stage is successfully completed. Because after the fourth stage of ISI, both the diversification of the domestic market and the exportation of previously protected manufactured goods as economies of scale are achieved.

Another important feature of ISI is that state undertakes a leading role, as allocation of economic resources had to lead to investment in the heavy industry until that sector became profitable and mature to be transferred to the private capital ownership. The state takes an active role in pursuing the objectives of economic efficiency, administrative consistency and social equity.

The main tools used to implement the ISI strategy were “import licensing, tariffs, overvalued exchange rates and direct government investment in key industries” (Cardoso & Helwege, 1992: 90). Import licensing enabled governments to control the composition of imports in order to promote specific activities. Essential goods - mainly food, capital goods and intermediate inputs – were given preference, while imports of final consumer goods were discouraged with administrative red-tape. Essential goods entered into the market under lower tariffs and at preferential exchange rates. Governments took strong actions for implementing ISI. Latin American governments stimulated industry through low interest rates and easy access to credit under soft monetary regimes. Moreover, governments constructed plants in heavy industries, such as steel, cement, utilities and airplanes.

Protective measures are very important in the implementation of ISI policies. The idea behind protection is protecting the newly developing industries from competition, until they are able to compete. In order to protect these new industries, governments implement tariffs or quotas on imports for which domestic substitutes exist.

While tariffs generally increase the cost of an imported commodity immediately at the point of entry, quotas, by comparison, set import quantities. Therefore by making imports scarce, quotas reduce competition and indirectly affect the domestic price of imports (Barkey, 1990: 8).

It is argued that overvalued exchange rates are another important mechanism that works on behalf of domestic producers. While it has a negative effect on exports, overvalued exchange rates reduce the cost of intermediate and capital goods imports; thus, they give impetus for further development of the manufacturing sector.

It is also argued that a crucial device of ISI helps to establish a coalition between the state, middle class and the emerging urban workers. This point also paves a way for the debates on the relationship between ISI and the concept of populism, which will be presented in detail in the other parts of the thesis.

Until the 1950s a favourable rate of growth was achieved in some Latin American countries. However, ISI strategy began presenting problems. One of the main objectives of the ISI strategy was partly achieved: industrial growth. Yet, ISI strategy faced with some limitations as well.

Both the left and the right wing started to raise their criticisms towards ISI policies in Latin America. The main criticism of the left wing was that “ISI increased Latin America’s dependency on imports, put power in the hands of industrialists and perpetuated the exploitation of peasants” (Cardoso & Helwege, 1992: 94). Right wing, on the other hand, argued that:

[t]he strategy misallocated the resources instead of enjoying rapid growth rates through export promotion, Latin American governments were creating hopelessly inefficient industries that depended on huge bureaucracies, which in themselves were a drain on the economy (Cardoso & Helwege, 1992: 93-94).

By the structuralist approach it was argued that after ISI provided a favourable rate of growth, it had reached its limits. It is asserted that after easy phase of ISI was completed, the industrialisation process should move towards producing intermediate and capital goods. However, while the transition from easy phase to other phases of ISI could not be achieved, problems started to emerge. In this respect, the scholars that try to evaluate ISI from the structuralist approach argue that it was the exhaustion of IS that led to the problems in the economy. This argument faced varying criticisms, which are presented in “populism” part of the thesis.

An overall review of the negative outcomes of ISI strategy points that the most important failures of ISI policies were overprotection, exchange rates controls, technological inadequacy, unemployment, deterioration of the agricultural sector,

budget deficits, inflation and over-capacity of the market. Now, I will try to present these topics.

As it was stated earlier, protection was an important measure of ISI politics. However, it is argued that long-term use of protectionist measures had negative effects on other industries. While the outcome of tariffs manifested itself as the increase in the prices of domestically produced basic consumer goods, quotas resulted in domestic oligopolies (Barkey, 1990: 8). R. Villarreal (1977) argues that:

[t]hese characteristics with the smallness of the domestic market promoted the consolidation of a monopolistic structure in which large national and international corporations acquired control of the production and distribution in the industrial sector (1977: 74).

He also argues that protectionist structure became “permanent, excessive and discriminatory”.

When by group of scholars it is argued that protection led to distortions in the economy, there are also alternative explanations that attribute a positive role to protection measures. Import substitution is regarded as a matter of two transitions:

The first transition is that from a system characterised by lack of growth to a flexible, responsive system in which welfare is continually rising. This takes place behind some protection. The second is the transition from protection to participation on a more equal footing in the world economy (Bruton, 1989: 1603).

Protection, Bruton argues, “is a mean of inducing diversification and the learning which development is based” (Bruton, 1989; 1605). Therefore, protection

is necessary to learn. Accordingly, Bruton argues that the so-called problems are in fact due “inconsistent and ad hoc” policy-making.

It is also argued that ISI strategy included the overvaluation of the exchange rates, which was on behalf of the domestic producers as high exchange rates reduce the cost of imports for domestic producers. However, on the other hand, such kind of a policy increases the prices for exports; thus, results in a decrease in total exports. Agriculture was the leading sector that suffered loss from this policy. Overvalued exchange rates resulted in a considerable decrease in the agricultural products. ISI policies exaggerated the industrial growth at the expense of agriculture. As Cardoso and Helwege (1992) state “overvalued exchange rates reduced the profitability of agricultural exports and at the same time made it difficult to compete with cheap imports of food” (1992: 97).

Hirschman’s point on the insufficient technology is crucial when the inadequacies of ISI are considered. He argues that the countries implementing ISI bring technology “but without the sustained technological experimentation and concomitant training in innovation” (Hirschman, 1968: 8). In other words, according to Hirschman, industrialisation in the countries where ISI was adopted was a matter of “limitation of tried and tested goods” that later played a crucial role in the failure of ISI policies. Similarly, M.S.Wionczek (1974) argues that very little was done in respect to the improvement of technological structure, while in the importation of the goods technologies have tried to be applied. The neglect of improvement of the technology had two-folded outcomes. Firstly, ISI-led industrial growth diminished due to the lack of technological knowledge and know-how. As

we know, there are several stages in ISI type of industrialisation. At the first stage, the basic consumer goods are substituted and they are produced in the domestic market. However, the first phase of ISI ends, when the expansion of finished consumer goods capacity hits the limits of the domestic market. At this stage, the economy should move towards pushing ISI activities into the export markets, or the economy should move towards the production of intermediate or capital goods production. However, because Latin American countries were deprived of the necessary technology, over-capacity of the domestic market could not be handled. When the limit on the several phases of ISI strategy was one aspect of the lack of technology in Latin American countries, the “denationalisation” of the major sectors of industry and finance was another aspect. Bernstein (1982) argues that although one of the major objective is the establishment of national economy, the technological dependence resulted in the monopolistic control of the multinational companies over advanced industrial processes and the privilege gives them in supplying machinery, patents, blueprints, spare parts and etc. (Bernstein, 1982; 221). When the technology was one of the factors to be argued in terms of ISI in Latin America, it can be presented that underestimation of technological development resulted in problems in the stages of ISI. Moreover, LA countries could not get rid of this dependency, which they were trying to overthrow and create their domestic market.

Unemployment was another negative effect of the ISI strategies. As it has been stated, the primary concern of ISI was thought to be the establishment of the domestic market, hence, an increase in the level of employment. However, as Wionczek (1974) states, ISI was unable to contribute in a concrete way for the

improvement of the employment problem. ISI governments supported labour through minimum wage legislation. However, it could be efficient only for those who were employed. Growing rates of population led unemployment. This situation had also political effects. Trade unions were growing rapidly demanding for higher real wages.

The governments tried to handle the demands of labour unions by fiscal expansion, which increased inflation that prevented money supply in the market. And the class tension was erupting into full-fledged political crises (Cardoso & Helwege, 1992: 99).

On that ground, the result of ISI policies were:

[g]rowing unemployment and underemployment in the rural areas, large and growing migration of part of the surplus of agricultural labour force to the cities, the tremendous expansion of urban underemployment in low-productivity traditional service activities (Wionczek, 1974: 12-13).

René Villarreal (1977) explains this situation by means of the capital-intensive technologies adopted in the industrialisation process of ISI. He argues that if the industrialisation process were to be through labour-incentive technologies, then unemployment would decrease. Similarly, Cardoso and Helwege (1992) argue that relatively capital-intensive manufactures absorbed only a fraction of the labour force.

The relationship between capital-intensive manufactures and unemployment is also related with overvalued exchange rates.

Because the cost of investment goods imports is driven down by an overvalued exchange rate, domestic industrialists are encouraged to invest in capital-intensive manufacturing techniques....Moreover, those working in the capital-intensive sectors earn considerably more than their counterparts in other parts of manufacturing (Barkey, 1990: 12).

Cardoso & Helwege (1992) and Barkey (1990) argue that over-capacity was another negative effect that ISI brought about. The industry produced more than the population could afford. In other words, production exceeded domestic plant at high average costs. ISI strategy was heavily dependent on upon low interest rates to enhance investment. This problem resulted in low saving rates and capital-intensive industry. In fact, artificial exchange rates were another factor that helped over-capitalisation and over-capacity of the domestic market. As Barkey states,

[o]vervalued exchange rates defeat another purpose of ISI: the transition to the second and more difficult stage of the industrialisation drive. Instead of progressing toward the vertical integration of industry, firms prefer horizontal expansion. In other words, instead of investing in the production of sub-components or intermediate goods necessary for the final product, firms will opt to jump to a new and unrelated finished product line, switching, for example, from refrigerators to radios. With imported capital and intermediate goods prices kept artificially low, domestic producers have little incentive to invest in such industries (Barkey, 1990: 12-13).

According to Cardoso and Helwege, as the reserves from primary export taxes failed to increase, subsidies to industrial investment and growing government responsibilities put pressure on the budget. Monetization of the deficit led to persistent inflation (Cardoso & Helwege, 1992: 91). Through ISI strategy, governments subsidised private industry in order to encourage investment. Yet, they

could not succeed to provide expected export growth as protection led to overvalued exchange rates slowing down the export growth. Moreover, the difficulty of borrowing from abroad was another important factor that spurred inflation.

Briefly, industrialisation and urbanisation brought along high rates of inflation. Rapid growth of government infrastructure expenditures necessary to complement the industrial-urban growth, alongside regressive taxation, led to large inflationary budget deficits. Growing presence of blue-collar workers, general regressive distribution of income, notorious presence of foreign capital led to political instability in the 1960s.

The presentation of these basic properties of Import Substitution Industrialisation is important as this specific type of accumulation model was commonly identified with populism, which was used to explain a specific period of some particular Latin American countries and Turkey. Therefore to understand ISI model would help why ISI and populism relationship was established. Moreover, it will help to grasp the relationship between crises, ISI and the concept of populism.

2.2 POPULISM

It has been stated that the concept of populism is one of the key concepts that is used to analyse the period that this particular study focuses on. In the post-war period, in some particular Latin American countries such as Argentina and Brazil, so-called populist form of politics prevailed in the political arena. Therefore

the state, economic miracles as well as distortions, military interventions, particularity of ISI type of development, class politics were evaluated by paying a special attention to policies of populist governments. These debates also shed light to Turkish experience as far as the elements stated above also prevailed in Turkey in the post-war period. In this respect, it is necessary to understand the theory of populism and its reflections on Latin America so that how the debates in Turkey took place and to what extent these debates are meaningful in Turkish case can be understood. Moreover, it will help to analyse the crises that Turkey experienced and the explanations that are made through populism

Populism has been a controversial debate among scholars. It has been used to denote quiet different cases and situations. When we focus on the literature on “populism”, we encounter with a lot of studies on specific countries and cases vary from North America, Eastern Europe, Russia and Latin America. Firstly I will present the attempts that try to draw the theoretical framework of populism. Then I will focus on the literature on Latin American populism.

2.2.1 Towards a Theory of Populism

2.2.1.1 A Syndrome not a Doctrine

As populism is a problematic issue to define, some debates on the term basically define it as a syndrome. Starting from the basic premise that “virtue resides in the simple people, who are the overwhelming majority, and in their

collective traditions” (Wiles, 1969: 166), some generalisations are made to define populism. In this respect Wiles gives some characteristics attributed to populism:

[p]opulism is moralistic rather than programmatic...populism is in each case loosely organised and ill-disciplined... Its ideology is loose...Populism is anti-intellectual...Populism is strongly opposed to the Establishment, and to any counter-elite as well...In particular populism avoids class war in the Marxist sense....Economically, the Idealtypus is a small co-operative...[p]opulists want the state be helpful rather than strong... (Wiles, 1969:167, 168, 170).

When there are different countries and cases that are labelled as populist, arguing that populism is a syndrome does not help to study on the subject. Therefore it seems that labelling populism simply as a syndrome and trying to define it by making generalisations present an eclectic character in the method of studying the subject. Moreover to argue that it is not a doctrine simplifies populism, and avoids bringing a theoretical explanation to the populist experiences of different countries.

2.2.1.2 Populism as Urban Movements or an Ideology

To define populism as “urban movements” is another view among scholars. Although it is problematic to argue for a common definition of populism, Hennesy (1969) argues that its current usage refers to predominantly urban movements. Giving Latin American example, he argues that in some particular Latin American countries, populist movements synchronised different group interests and he argues that it can be applied to any movement, which is not specifically based on social

classes. Definition of populism by Di Tella (1965) also shares a similar view. For Di Tella, populism is:

[a] political movement which enjoys the support of the mass of the urban working class and/or peasantry but which does not result from the autonomous organisational power of either of these two sectors. It is also supported by non-working-class sectors upholding an anti-status quo ideology (Di Tella, 1965: 47).

Hennesy (1969) argues that the leadership of these movements is drawn from a discontented “middle/middle upper class” and often has the elements of a charismatic leader such as Peron in Argentina or Vargas in Brazil. The supporting mass consists of “recently arrived rural migrants” and the “organised urban working class”, which lack a clearly definable or consistent ideology. On the other hand the unifying element for this group is “nationalism” that is structured upon an “anti-imperialist” notions. Moreover there is not a class-based differentiation in urban populism. The primary concern is the “united people”. State in this respect arises as an important and indispensable figure, which is expected to establish and protect the national industry with an effective legislation. In addition, the state is assumed to have a leading role as an employer.

Considering the developments in Latin America, Hennesy argues that the outcome of urban populism was conditioned by the accelerating immigration from the rural to urban cities. The reason beyond the manipulation of these newcomers to the cities by the populist leaders is explained as such:

[u]nder conditions of capital-intensive industrialisation, jobs cannot be created fast enough to absorb the increase....Therefore, these new migrants are rarely absorbed

into established working-class organisations. There is thus a 'disposable mass', which is available for manipulation by middle class politicians....The scale for migration in relation to industrial opportunity means that the populist leader rather than the labour union becomes the agent for political organisation (Hennesy, 1969: 31-32).

Not only the immigrants, but also the middle class, whose political power could not develop due to the power of big land-owning elite, was also included by the populist movement. Lack of a clear ideology of these groups was a common element for populism.

In this respect Hennesy presents the urban populism in Latin America as a manipulative mechanism for controlling the "marginal populations", by creating the necessary opportunities to integrate the migrants into urban life. Therefore populist movements do not try to challenge the status quo. In practice the objective is getting rid of export-oriented trade and focusing on ISI. However it has to be concluded that according to Hennesy the main objective of populist movements is primarily concerned with urbanisation rather than industrialisation.

The relative ignorance of the peasantry and lack of any effort to issue agrarian reform to increase the agricultural production are one of the most striking features of these kinds of populist movements. Moreover passive stand of the populist discourse in tackling the economic and political problems is laid out as the failure of urban populism in Latin America. And finally, the dependency of populism on a charismatic leader negatively affects the populist discourse once the charismatic leadership has gone away.

Limiting “populism” with urban movements and attributing the term some common ideological values miss one important phenomenon. Populism is not a particular characteristic of Latin American experience. Although Hennesy argue that populism can label any urban movement, he does not present the type and characteristics of these movements for labelling it as populist. Moreover, what kind of impacts that populist policies have on these movements is another missing point.

Moreover, According to Laclau (1977) attributing populism some common characteristics such as “opposition to the status quo”, “mistrust to traditional politicians”, “appeal to the people not to classes”, “anti-intellectualism”, so on... contains two major inadequacies: Firstly,

The characteristic features of populist ideology are presented in a purely descriptive way that is incapable of constructing their peculiar unity...And secondly, nothing is said of the role played by populist element in a determinate social formation (Laclau, 1977: 149).

In this respect it is clear that appealing populism as a movement or as an ideology, or both, is not adequate to understand the specificity of the term.

2.2.1.3 Functionalist Approach: Populism as a Transition Period

Angus Stewart argues that populism can be evaluated as “a system of ideas, a number of discrete historical phenomena or the product of a certain type or types of social situation” (Stewart, 1969: 180). For Stewart, however, modernisation process brings about problems about economic development and political authority,

and populism emerges for bringing answers to these problems. In Stewart's respect, the tension between backward and more advanced countries can lead populism or it can spring from the tension between developed and backward parts of the same country as well.

Populist movements may therefore be viewed as a response to a variety of crises of development. Important among these crises are; a) The decision to industrialise and how, b) The current or anticipated consequences of industrialisation (Stewart, 1969: 185).

In the first condition, populism may emerge as a response to eliminate the obstacles along the way of modernisation/industrialisation. This decision on the way to industrialisation is achieved according to both the relations with the more advanced countries and the desire of the particular groups in the country. In the second condition, when the process of industrialisation starts, "the differential development of the industrial and non-industrial sectors of the economy" may create conditions for the emergence of a populist movement.

Populist movements can find support either from peasants or from urban segment of the society. Moreover, the other segments of the society such as "elite, intellectuals and/or students" who are discontented with the backwardness of their society may take part in the populist movements. There is also another group, which may back up the populist movement. As Stewart (1969) asserts the growing industries during the war, in order to preserve and sustain their advantages position may provide "personnel and financial support" for the emergence and success of the subsequent popular movement, when an anticipated return to peace-time conditions

threatens the position of a new industrial growth. In all the cases the State is assumed to have an active role and populism works through mobilising these groups through the desired path of development.

Laclau argues that the concepts of industrial and traditional society in functionalist approach caused a problem in which populism is never defined in itself but only in counter position to a prior paradigm (Laclau, 1977: 154). The second criticism is shaped in the framework of the discussion above, which is the understanding the significance of a phenomenon apart from indicating its relative degree of progress (Laclau, 1977: 155). The separation between the “traditional” and the “modern” and the relationship between them, cannot be enough to define a theory of populism. This situation make the concept of “relative degree of progress” meaningless or disputable.

The main criticism of Laclau is that to deny using “populism” as a means of periodisation of a transitional period between traditional society and industrial society. Populism as a particular inflexion of popular interpellation can never constitute the articulating principle of political discourse – even when it constitutes a future present in it. It is precisely this abstract character of populism, which permits of its presence in the ideology of the most varied classes.

2.2.1.4 Populism and a Particular Type of Accumulation Model: Economic

Populism

Identification of populism with a particular type of accumulation process is a common characteristic of the studies on Latin America. A group of scholars who refer specifically to Latin American versions of populism draw attention to the dichotomy of populist experience and a common macroeconomic growth strategy. Dornbusch & Edwards (1991), Sachs (1989), Cardoso & Helwege (1991) stake a well-defined position in this debate. The common point of their studies is the identification of populist experience in Latin America with a particular type of macroeconomic policies, which includes import substitution industrialisation. In fact the hypothesis they share is the idea that:

[h]igh income inequality in Latin America contributes to intense political pressures for macroeconomic policies to raise the incomes of lower income groups, which in turn contributes to bad policy choices and weak economic performance (Sachs, 1989: 7).

Accordingly the terms of “redistribution”, “inward-oriented growth”, “economic populism”, etc. become key concepts among these scholars.

Debates on economic populism do not exclude the political aspect of populism. Sachs argues that:

In political terms ‘populism’ signifies these urban, multi-class movements, which at least initially were headed by a charismatic leader who arrives to power through electoral competition with the

support of the newly enfranchised urban proletariat (Sachs, 1989: 10).

However when one focuses on the dynamics that lead to a particular type of macroeconomic policies, the basic property of the period under consideration is seen as high income inequality among the individuals. What make the issue complex are the policies adopted by the politicians to eliminate income inequality. It is argued that distributive policies, rather than redistributive ones, were put on the political agenda for overthrowing income inequality, which means “looking for ways of raising the incomes of the bottom part of the income distribution without resorting to explicit taxation or confiscation of property of the upper classes” (Sachs, 1989: 10).

Onrush and Edwards, like Sachs, also use the term economic populism, and they define it as an:

[a]pproach to economics that emphasises growth and income redistribution and de-emphasises the risks of inflation and deficit finance, external constraints, and the reaction of economic agents to aggressive nonmarket policies (Onrush & Edwards, 1991: 9).

They put forward some conditions that give a way for the implementation of economic populism, which is the failure of the previous economic stabilisation program that has resulted in “stagnation” and “outright depression”. Accordingly slowing growth rates, decrease in the living standards and uneven income distribution become prevailing factors for the adoption of economic populism. Within this framework populist programs emphasise “reactivation”, “redistribution

of income” and “restructuring of the economy.” Dornbusch and Edwards argue that Argentina, Brazil, Chile, Peru, Mexico and Uruguay are those of Latin American countries, where economic populism was implemented. Sachs draws a clearer framework and identifies Argentina under Peron, (1946-1949); Chile under Allende (1971-1973); Brazil under Sarney (1985-1988) and Peru under Garcia (1985-1988) as historical episodes when economic populism was implemented.

It can be easily gathered there is a negative approach to such kind of policies because the debt crisis of 1980s is regarded as an outcome of economic populism. The vicious circle of “distribution” policies is best presented by Sachs:

[h]igh income inequality; raises the pressures for overly expansionary redistributive budgetary policies, enhances the power of economic elites to resist taxation needed to balance the budget; contributes to direct, destabilising labour militancy; decreases the political support for export-promotion measures, which tend to threaten urban real wages in the short-run’ (Sachs, 1989: 8).

Hence both Sachs, Dornbush and Edwards agree that populist politics went hand in hand with bad macroeconomic policies for the sake of raising the income of lower classes. Populist regimes try to overcome income inequality through the use of overly expansive macroeconomic policies. They disregard basic economic constraints and actively interfere in the economy by decreeing wage increases, price controls and exchange rate appreciation to achieve re-distributive goals. Sachs, in his detailed work, makes case studies on Argentina under Peron, (1946-1949); Chile under Allende (1971-1973); Brazil under Sarney (1985-1988) and Peru under Garcia (1985-1988). In the end he makes generalisations on these specific historical episodes and argues that all these episodes have common political and economic

dynamics. On the economic side, Sachs argues, all of the programs are characterised by:

[a]n early phase of rapidly rising GNP and real wages; with fairly stable prices; and a late phase of falling GNP and real wages, with explosive inflation. The turning point comes with the collapse of the fixed exchange rate, at the time that the government runs out of foreign reserves and access to new foreign credits (Sachs, 1989: 24).

The result was government deficits, overvalued exchange rates and inflation.

Cardoso & Helwege (1991) adopt a similar view. They make a distinction between classical and economic populism. They label the experiences of Peron in Argentina between 1946-1949, Vargas in Brazil after 1945, Cardenas in Mexico between 1934-1940 and Velasco in Peru between 1968-1975 as classical populism. The classical populism is presented as:

[a]n urban political tradition that opposed the primary-product-export-oriented status quo of the nineteenth century and endorsed accelerated industrial development. It constructed alliances linking the working class to the industrial bourgeoisie and minimised interclass antagonisms through the propagation of a broadly nationalist ideology (Cardoso & Helwege, 1991: 46).

In the classical populism governments have an active role in the regulation of economic and political life. They determine the market prices, protect the workers and wages. Besides, in favour of the private industry, state defines the mechanisms for the allocation of credits.

Cardoso & Helwege explain the failure of classical populism as such:

[p]rotectionism did not raise real productivity to create a basis for large gains in urban wages. Nor did tax collections grow enough to finance government subsidisation of the industrialisation process. Inelasticity of supply in the agricultural and export sectors was overestimated: it did not take long for overvalued exchange rates and price controls to cause stagnation in these sectors. Alienation of foreign capital exacerbated problems. In the absence of a major boom in the export prices, classical populism rapidly self-destructed (Cardoso & Helwege, 1991: 49).

Then, the main theme of the economic populism comes to the agenda as an effective income distribution. Because although redistribution marks populism, the classical populist experiences present that the poor could not benefit from redistribution.

Cardoso & Helwege regard import substitution industrialisation as the specific accumulation model of populism, which was implemented in Latin American countries. They attribute an important role to the model as far as they believe the problem of industrialisation consists in knowing which groups could take investment and market decisions and channel investment into the domestic market. Accordingly, ISI defining the growing strategy also represents the “social division of work”. With the enhancement of the state, urban middle class (worker-popular sectors) grows and joins into the system with industrial bourgeoisie.

Economic populism faced considerable criticisms as well. As Weyland puts it:

The economic definition of populism is confusing for political analysis because it subsumes under the same label leaders as diverse as the classical populist Juan Péron, neopopulist Alana Garcia, conservative José Sarney, and the Marxist

Salvador Allende. It is also logically questionable because it does not clarify whether the economic irresponsibility that it associates with populism is due to design or mere constraint. Expansionary economic policies may result from a deliberate governmental choice, from parliamentary refusal to increase taxes to finance additional spending, or from administrative incapacity to collect increased taxes approved by the legislature (Weyland, 2001: 11).

In this respect, labelling quite different populist leaders under the same label and evaluating expansionary economic policies as the design of these leaders worth questioning as such kind of an attempt underestimate governmental, administrative or parliamentary mechanisms in implementation of economic policies.

Briefly, it has to be concluded that the attempts define the populist experience in the Latin American context, more or less include the notions of “nationalism”, “people” “development”, “industrialisation”, “class politics”, “mobilisation of the masses”, and in some cases “import substitution industrialisation”. The insistence of the politicians, even if the political signs deteriorate, on the implementation of the populist politics, which result in the inflation and budget deficits is criticised by these scholars when studying populist experience in Latin America.

These theoreticians tended to establish a strong link between economic programs and populism. Yet it has to be concluded that establishing such a link misses any effort for a universally applicable populism theory. ISI and inward looking development policies cannot be labelled as the primary feature of populism as it cannot explain export-led industrialisation strategies and populism relationship as it is the case in Thatcherism.

The last approach to the concept of populism can be presented as the line of argument of Laclau within the Marxist theory. This debate will be analysed in the last chapter together with the alternative explanations in understanding the dynamics in the post-war era up until 1980s.

2.2.2 Latin American Populism

In the post war period Latin America experienced crises stemming from both economic and political policies. Therefore the debates on Latin America focused to understand accumulation models, industrialisation attempts, class politics and regime changes. In this respect populism was one key concept to analyse the dynamics of the post-war Latin American politics. In the Latin American perspective, populism was also used in order to explain different facts such as class alliance, form of state or type of regime, movements, ideologies, industrialisation policy, etc. According to Yalman despite varying debates on populism, the scholars try to explain populism as a “form of politics”, which Latin American countries experienced in a phase of their history (Yalman, 1985: 24).

In this respect, Yalman present the specific characteristics of populist form of politics. Firstly, it is argued that populist form of politics depends on the alliance between industrial bourgeoisie, middle class and industrial workers who have a common interest in the withdrawal of the oligarchy. The relative autonomy of the state and the mobilisation of the masses by establishing trade-unions with state direction are the other political characteristics of populist form of politics. Besides,

ISI, distributive politics for increasing the real wages and living conditions of wage-earners, state participation in accumulation process, relatively weakened position of traditional exporting oligarchy, but preserved position of landowners are the other characteristics that are attributed to populist form of politics (Yalman, 1985: 24-25).

Although these may be presented as the specific characteristics of populist form of politics, there are different lines of arguments that give primacy either to economical or political dimensions of populism.

One way of analysing Latin America and Latin American populism was from the perspective of structuralist approach in the 1960s. As it has been presented in the previous chapter, a strong relationship between the easy-phase of ISI and the concept of populism was established in these debates. Therefore it is argued that ISI and populist politics went hand in hand in the dependent industrialisation process of some Latin American countries. Populism in this respect was regarded as the political mechanism, which handled the establishment of domestic market and activated industrialisation by infrastructure, state intervention, etc. Moreover, populist policies united the conflicting interests of different segments of the society in the ISI process. In Weyland's terms "cumulative concepts" prevailed by the effect of structuralist approach. Defining populism with cumulative concepts "assumed a close relationship between populist politics and its social roots, socio-economic background conditions, and/or substantive policies, especially expansionary economic programs and generous distributive measures" (Weyland, 2001:5). The failure of populist politics in this sense is regarded as the exhaustion of ISI, which resulted in the break down of populist regimes.

Anglade and Fortin (1985) may be presented as scholars who established their argument on populism by form of state and type of regime analysis. They primarily focus on “the level of capital accumulation” as they believe that this would help for “a more concrete exploration of the class structure and of the social conflict concerning the creation and appropriation of social surplus” (Anglade & Fortin, 1985: 1). In particular Latin American countries, in the 1950s and the 1960s, firstly ISI was adopted as the capital accumulation model and then export promotion was introduced. In both models the role of the state in capital accumulation was important. According to Anglade and Fortin, this role of the state in capital accumulation was an element of the form of state.

Taking the theoretical impulses from Poulantzas (1973), Anglade and Fortin argue that;

The fundamental role of the state in capital accumulation is an element of the form of the state, intimately linked to the composition of the power bloc and its index of hegemony and to the level of development of capitalist productive forces. By contrast the so-called coercive, ideological, welfare functions of the state are in fact the bases of domination of the existing structure of authority and therefore belong properly in the characterisation of the political regime (1985: 18).

Having presented the difference between the form of the state and form of the regime, Anglade and Fortin argue that there is not a “simple, univocal correlation” between the form of the state and the form of the regime. “On the other hand, the degree of compatibility between different forms of dependent capitalist state and different forms of regime is a valid and highly relevant topic for concrete analysis” (Anglade & Fortin, 1985: 19).

In this respect, Anglade and Fortin, focusing on the role of the state in capital accumulation, use forms of state and forms of regime analysis in order to develop their studies on Latin America and populism. By the crisis of 1930, the primary-export model of development was put aside and Latin American countries adopted ISI strategy. As far as the basic properties of ISI were presented in the previous chapter, I will not repeat them here. However, the important point is that the basic impulse of ISI was creating a domestic industry, which could have conflicted with the interests of primary-export groups. Anglade and Fortin (1985) present the presence of labour surplus in the agricultural sector as the important dynamic that led to an alliance between primary export groups and industrialists rather than a conflict.

From being potentially antagonistic, their interests were made compatible and even complementary by the availability of an 'unlimited supply of labour'. Through keeping wages low in industry, the agricultural sector contributed to a process of capital accumulation within the industrial sector (Anglade & Fortin, 1985: 33).

The situation was different in Argentina. The absence of labour surplus in Argentina resulted in high wages in industry. Therefore Peronist government transferred capital from agriculture to industry in order to compensate for an insufficient rate of capital accumulation in industry.

What Anglade and Fortin argue that the state in particular Latin American countries did not alter the previous domination system. Although populist regimes seemed to be class alliance against the former domination system, in fact it led to an alliance between owners of the capital.

With the protection of traditional export interests perfectly in tune with ISI, the political systems, which emerged were thus the expression of alliances made between the owners of the capital in both sectors of production. ...they were not the result of class alliances around industrialisation project, but of intra-class alliances between sectors of capital, with the expansion of middle and low urban income groups being instrumental to the stability of that alliance (Anglade & Fortin, 1985: 34).

For ISI to be successful, the state should encourage investments in the industry. However, it is argued that populist states did not set the conditions to encourage investments. First of all, the state did not subsidise any credit for the industry. On the other hand, through banking system the primary exporters used the available credit that helped to enlarge their profits. Secondly, because of the inefficient taxation system, the savings could not be increased to channel in the domestic industry. Finally, inflation was used as a mechanism to increase savings, which either could not be successful (Anglade & Fortin, 1985: 35-36).

The exploitation of the rural workers is presented as another mechanism that is used by the populist regimes of Latin America. Whilst, the right to form trade unions, distribution of social security and pension scheme benefits were limited to urban industrialists; there was not a minimum wage constraint in the agricultural sector. Moreover, rural workers suffered from low wages.

Anglade and Fortin argue that:

The maintenance of remarkably constant patterns of exploitation of rural labour by the populist regimes of the labour surplus economies of LA was probably the most important single variable in the process of adaptation of their former system of

domination and in the stability of the populist alliances; it was ultimately the source of a growing capitalist surplus, and it acted as a factor of division within the working class (1985: 37).

Due to the previous explanations, Anglade and Fortin assert that the populist alliance was based on two primary dynamics; the share of growing surplus by landowners and industrialists; and support of urban working and middle class who gained a comparative advantage in living standards. However, this alliance was soon fractured. By the early phase of populist regimes the capital surplus was satisfactory for both the industrialists and the landowners. However, by the 1950s, the industrialists started to complain about the low rates of industrialisation and investment capacities, which narrowed their part of surplus. The populist state was blamed of being incapable of subsidising credit into industry. In this sense industrialists were the first chain in the break of alliance. On the other side, the big landowners were also discontented by the state's effort for implementing an agrarian reform to increase the wages in agriculture. Therefore, they also introduced a serious element of conflict in the alliance. The situation was also changing for the urban workers and urban middle class. Due to the changing pattern of production, when the foreign capital entered, the industry fastly became capital intensive rather than labour intensive. Therefore the necessary conditions, industrial employment and high wages, for the support of populist state disappeared. Increasing unemployment and low real wages due to the rise in inflation further enlarged the discontentment among workers. Accordingly, rising social and political pressures upon the populist state resulted in the change of the accumulation model and led to export-led industrialisation, which opened path for new debates in the role of the

state in capital accumulation, and the type of regime. In this respect, military interventions in particular Latin American countries and newly adopted capital accumulation models bring out new questions about the form of state and type of regime.

Moreover, there are also studies, which argue that the attempts, trying to explain political phenomenon by “the reproduction requirements of capital or the interests and projects of the economically dominant classes” are reductionist, therefore the emphasis shifted to political definition of populism. Weyland argues that political populism “conceptualizes populism as a specific way of competing for and exercising political power...Redefinition captures best the basic goal of populist leaders, to win and exercise power, while using economic and social policy as an instrument of this purpose” (Weyland, 2001: 11).

The attempts to define populism in such try to emphasis:

[L]ess the primacy of the economic theme and more systematic attempts towards a conceptualisation of the polity analogous to that used for the analysis of the economy, a conceptualisation, that is, in terms of systematic contradictions between institutional parts leading (in certain favourable conditions) to development of political struggles over the distribution and control of power between dominant and dominated groups (Mouzelis, 1986: 217).

In this respect, Mouzelis focuses on three countries, which are Argentina, Chile and Greece, and examines populist experience by concentrating less on economy and more on politic theme. While he labels populism in Latin America as

urban populism, he identifies the northern part of the Balkans as experienced peasant populism. In general, he views populism:

[i]n relation to processes leading to the broadening of political participation in a number of countries characterised by early parliamentarism and late industrialisation. More precisely...as a mode of vertical inclusion/incorporation of the lower classes into the political arena during the transition from oligarchic to post-oligarchic parliamentary politics (Mouzelis, 1986: 91-92).

The concept of “incorporation” is important when the correlation Mouzelis established between populism and incorporation is considered. He views incorporation as a relation of domination, which refers to the direct control and manipulation of state over associations. In this respect although in populism there was a mobilisation of masses from above, through incorporation mechanisms the way they take part in politics was strictly controlled by the state.

Although he seems to establish a link between populism and transition from oligarchic to parliamentary politics, he argues that organisational dimensions of populism are applicable to all types of populism. He argues that on the organisational level, “populism involves a specific type of authority relationship between leaders and led” (Mouzelis, 1986: 87). In populism, there is a direct connection between the leaders and “the people”. The charismatic leader directly appeals to the mass and therefore hostile to the “institutionalised intermediary levels.” Peron in this sense is presented as the best example of direct rapport between leader and the people, and the exclusion of intermediary cadres.

Defining the primary characteristics of populism, Mouzelis underline the developments in Argentina and Chile, and also Greece. Focusing on Argentina he argues that Peron disfavoured agricultural protection, and set heavy protection measures on technologically backward industries, which did not help the expected growth in industry. Accordingly, state began to take part actively in industrial projects. Yet, in the late 1950s and early 1960s, the acceleration of growth had reached its limits. The objective of ISI which was establishing a domestic industrial sector and substituting goods could not be handled any more due rise in the cost of production and inefficient technologies. It has to be stressed that although some goods were substituted, the basic inputs were still imported. Therefore, Mouzelis argued that if there had been efforts for reforms in the agriculture, many inputs could be cheaply provided. Not only in Argentina but also in Chile began to suffer from “costly, non-competitive industry, inefficient agriculture and huge low-productivity”, which resulted in inflation and growing balance of payment deficits.

Mouzelis asserts that “these difficulties and bottlenecks are often interpreted in the relevant literature as indicating the “exhaustion’ of ISI” (Mouzelis, 1986: 116). In this respect, Mouzelis draws attention to the point that, although it was true that there had been difficulties in industrialisation path, he asks the question that whether they could be just transitional difficulties that could be solved through effective state policies. Although he does not argue this point, it has to be asserted that in Turkish case this was a point that was debated among scholars.

Whatever the reason it was true that the economies of Latin America were suffering from inflation and balance of payment difficulties. Moreover, Mouzelis argues that:

[t]hat capitalist industrialisation proper took on a more restricted and uneven character: restricted in the sense that despite the dominance of the capitalist mode of production in industry, wage labourers working in the capitalist enterprises constitute only a small fraction of the industrial labour force; and uneven in the sense that there is marked organisational heterogeneity both within the industrial sector as a whole and between sectors, a heterogeneity resulting in huge productivity differentials and imbalances/disruptions (Mouzelis, 1986: 119).

According to Mouzelis (1986), the restricted and uneven character of capitalist development led to difficulties for the “autonomous collective organisation of the working classes”. Because only a small proportion of the workers, which were in the urban industrial sector, had the right to organise around trade unions, and as the income inequalities grew between different sectors of the industry the conflict among workers accelerated. Therefore it became more and more difficult “to mobilise and organise workers in such a way as to put an effective check to the state’s incorporative tendencies, and/or to the manipulation of the rank and file by populist/paternalistic leadership” (Mouzelis, 1986: 123). The result was the “fast radicalisation of the masses” in Latin America.

Mouzelis defines the political antinomy of the post-war Chile and Argentina as;

[t]he contradiction between , on the one hand, high levels of political participation and mobilisation and, on the other, the prevailing incorporative/exclusionist modes of political control, the latter being incapable of coping in any stable manner either

with the successive waves of new entrants into politics, or with the higher levels of activation/radicalisation of those already in the political arena (Mouzelis, 1986: 129).

In this respect he evaluates the underlying reason behind the establishment of the military dictatorship as “the threat that the growing political mobilisation posed to its dominance within the prevailing exclusionist/incorporative relations of domination.” (Mouzelis, 1986: 145). The army intervened to safeguard its position within the state because of growing popular mobilisation and radicalisation.

In short, while Mouzelis discusses the developments in some particular Latin American countries, he stresses the primacy of organisational structure of populism, and although he presented the difficulties of ISI he draws attention to the politico-military space in order to analyse the regime changes in these countries.

In accordance with Mouzelis arguments, which stress the political definition of populism, Weyland also stresses the need for such a definition. In this sense he argues that:

Populism is best defined as a political strategy...Populism emerges when personalistic leaders base their rule on massive yet mostly uninstitutionalised support from large members of people. This minimal definition encompasses both the classical populist of the 1930s through 1960s and the neopopulist of the 1980s and 1990s. It stresses the central rationale of populism – the quest for political power – but leaves the association of populist politics with specific social constituencies, economic settings, and socio-economic policies open for empirical research (Weyland, 2001: 18).

There is also an important study in discussions of populism in the structural approach, which influenced the literature on Latin America. This study also takes the basic premises of structural approach, but it tries to get rid of the limits of the approach. In this study it is argued that the idea of structural dependency cannot grasp the whole dynamic as it excludes the social struggles. Therefore Latin American developments and populism are evaluated with respect to the relationships and struggles between social classes and groups at the international as well as the local level. Accordingly, in this perspective, “a central role is assigned to the analysis of the mechanisms and processes of domination through which existing structures are maintained” (Cardoso & Faletto, 1979: 24).

Cardoso and Faletto (1979) present the increasing participation of the urban middle classes and of the industrial and commercial bourgeoisie in the system of domination as the main distinctive feature of the transition period in Latin America. In the economic level, they argue that ISI type of industrialisation was set in order to achieve domestic industrialisation, which led to the state participation. Cardoso and Faletto argue that the role of the state increased in this process, and it acted on behalf of the landowners and exporters. Moreover, ISI strategy led to a new type of social division of work in Latin America. In the cities proletariat emerged together with the non-wage-earning popular sector. The masses were important in this industrialisation project both as a labour force and as a figure of the consumer market. According to Cardoso and Faletto when different interests of segments of the society is considered, those of the industrial bourgeoisie, middle class, agro-exporting sector and the masses, nationalism and populism expressed the base through which these interests could be harmonised.

When the Argentina case is considered, the hegemonic group was the agro-exporting sector. The Peronist populism accelerated industrialisation through two complementary courses:

[o]ne the one hand, the import-export and financial sectors tried to regulate the impulse of industrialisation in a way that could slow down and limit the policy of IS, at least in those products that were of interest to the hegemonic sector in its importing phase; on the other hand, the industrial sector not linked to the agro-exporting group tried to strengthen its economic base by expanding the area of substitutive industrialisation and creating its own financing mechanisms, traditionally a weak point in this group (Cardoso & Faletto, 1979: 136).

The state was in the crucial position for both sides;

[f]or the first, because it still controlled the exchange and tariff systems, which were fundamental to a balanced policy of industrial and agro-exporting interests; and for the second, because the state also represented an important instrument of credit and rapid capital formation (Cardoso & Faletto, 1979: 136).

Besides, Peronist populism had to take into account the interests of the growing worker-popular sector and urban middle class for popular support. In the post-war period, due to the availability of foreign exchange, the state provided the necessary conditions for worker-popular sector and the urban middle class by the increase in the living standards and real wages without disturbing the interests of the hegemonic classes. Therefore a populist coalition could be provided among different segments of the society.

However, when the easy phase of IS ended, the interests started to conflict.

The development was limited by the contradiction in giving the masses greater participation in the distribution of national revenues while accelerating capital formation and trying to maintain the incomes of other social groups and, especially, of the agro-exporting sectors (Cardoso & Faletto, 1979: 137).

In Brazilian case on the other hand, there was not a hegemonic group that had risen from the outward expansion. Traditional oligarchy, middle groups, industrial bourgeoisie and the urban merchants shared the control of the state. Therefore in the new industrialisation project, the state directly took part in the process by establishing state enterprises. As another difference from Argentina case, the non-worker urban mass who immigrated to the cities was more than the workers. In this respect the alliance in Brazil included “landholders, farmers, urban middle class, industrial sector and the urban mass”. The main reason beyond the failure of the Brazilian populism is evaluated such that, the state-led industrialisation could not provide the work capacity for the mass. However, the state acted as an employer in order to survive the popular support of the masses. Such a policy faced criticisms from the private sector. These contradictory interests rose when the economy began to suffer.

Mexico and Chile are the other countries that Cardoso and Faletto focused in order to present the social dynamics beyond populism. Accordingly they draw attention how structures of domination are established, how they are conflicted and how the social transformations occurred for populism.

Until now I have tried to present some debates on Latin American populism which either try to analyse Latin American populism by paying special attention

either to organisational structures, or social dynamics, or state's role in accumulation model.

By the 1970s the substantial literature on Latin America was shifted from “structural approach” to the “transition approach”. In the transition approach, it was argued that structural constraints cannot alone explain the changes in the political regimes, therefore in this approach “leadership and choice” and “the political creativity to overcome the structural constraints” were also taken into account.

As Cammack (1997) presents, this change of perspective was announced by Linz and Stephan at the end of 70s. Cammack argues that structural approach was not rejected, however Linz and Stephan stressed:

[t]he processes through which conflicts were fought out and choices were made varied widely from country to country, and had their own political and institutional logic. They cannot be explained by reference to structures alone, because they were in the end the outcomes of political agency... (Cammack, 1997: 155).

Within the light of this approach, populist regimes in Latin America are viewed as “an innovative political response to some of the structural constraints of the period” (Cammack, 1997: 163). Cardenas in Mexico, Peron in Argentina and Vargas in Brazil are generally grouped together as populist who promoted state-led industrialisation, and incorporated the working class (and the peasantry in Mexico) into state-controlled trade unions in order to establish a political base for themselves (Cammack, 1997: 164). Cammack presents four common features of the populist regimes; all were organised around a powerful individual leader, they were

developmentalist, none was committed to the principles of liberal democracy, and “the liberal or liberal democratic opposition which each faced was generally politically impotent, and often the least progressive grouping on the political scene” (Cammack, 1997: 164-165). While the mobilisation of the workers for the state led industrialisation was one of the most important common feature of these regimes, the degree of incorporation of the peasants was the significant differentiating element.

In Mexico it was a subordinate part of the regime, and hence a source of its greater stability and longevity. In Brazil it was a major source outside the populist coalition, still mobilised by landowners for electoral purposes, and hence a key element in conservative opposition to reform. Argentina in contrast, had virtually no traditional peasant class at all, with the result that Peron enjoyed national majority support in which the urban working class was alone the decisive social force (Cammack, 1997: 165).

The weakness of populism is regarded as the inability to sustain a long-term “economic development and a stable governments”. The conflicting interests of the elite and the working class started to demonstrate itself on the political arena.

Populist policies concentrated on ‘economic nationalism’ and ‘the expansion of the domestic market’ was ‘inconsistent with the demand from business interests for the new technologies from abroad. It was also inconsistent with the general development of production on a global scale and the growth of multinationals in the global economy (Cammack, 1997: 166).

In the 1990s, particularly in the study of Conniff (1999), the emphasis in evaluating the Latin American populism presents a similar way of argument. Taking populism as a political phenomenon, the studies focus on the way of governing of

the public office. Accordingly, the “leadership” and “organisational structure” of populism become the prevailing features of the analysis. Conniff defines populism as “an expansive style of election campaigning by colourful and engaging politicians who could draw masses of new voters into their movements and hold their loyalty indefinitely, even after their deaths” (Conniff, 1999: 4). The idea of nationalism, a strong leadership based on the charisma, appealing to the masses by “eclectic and flexible” rhetoric, the campaigns and elections arise as topics to characterise populism in Latin America. By the expansion in the economies of Latin America, the developments in communication and transportation further helped populist politics.

As far as the subject matter of this particular study is trying to understand the relationships between populism, ISI type of industrialisation and crises that particular countries experienced, including Turkey, I will shortly present the debates on “bureaucratic authoritarianism” (BA) as the so-called BA political system also includes relationships with populism and ISI.

O’Donnell (1973) introduced BA as the political systems which are implemented in Brazil in 1964, and in Argentina in 1966. O’Donnell argues that easy phase of ISI was exhausted by the populist politics in Argentina and Brazil in the early 1960s. The outcome of this exhaustion showed itself as “inflation, erratic economic growth, social mis-allocations and persistent rigidities in the social structure”. In order to achieve further development and to eliminate the problems stated above, “deepening” of the industrial process for domestic production of intermediary and capital goods was required. O’Donnell argues that;

[a] populist system could not produce the needed changes. ...The effects of modernisation were visible in increased social differentiation, which expressed itself in political pluralisation, in the emergence of deep inter-industry cleavages, in further penetration of technocratic roles, and in increased political activation of the popular sector (O'Donnell, 1973: 75).

In this respect O'Donnell argued that in order to change the socio-economic structure, the exclusion of the popular sector and its demands were required. And this can be achieved "by the establishment of a repressive bureaucratic authoritarian system based upon a coalition of military and civilian technocrats" (Cammack, 1997: 4). In this respect, O'Donnell establishes a strong relationship between economic requirements and rise of the BA regimes.

This point was criticised by other scholars. For example Mouzelis (1986) criticised O'Donnell's economism, which tries to establish a link between changing economic requirements and the rise of bureaucratic authoritarian regimes. He asserted that this was an insufficient explanation, because Mouzelis asserts that although one can provide structural explanation of the emergence of the post-war military regimes in the post-war Latin American countries, in fact one must look for structural explanations in the politico-military sphere. Therefore according to Mouzelis it was not only the ISI crisis, which took place in these countries, but they also had "a quite distinct political crisis". "If the economic crisis was pointing to the need/requirement to deepen the industrialisation process, the political crisis was pointing to the need to tighten politico-military controls as a means of maintaining the existing relations of domination (Mouzelis, 1986: 194).

Another criticism is directed to O'Donnell by Serra (1979) Focusing on Brazil case, Serra argues that, contrary to O'Donnell who argued that the deepening process had occurred in 1964 by the BA regime,

The deepening process advanced considerably during the 1950s-especially in the second half of the decade-and at the beginning of 1960s. It was actively promoted by the administrations of the pre-BA regimes, which would clearly be considered democratic (Serra;, 1979: 117).

Moreover he argues that the deepening process was not a concern of the authoritarian regime and the actors who shared the power. Serra asserts that from 1964 to 1971, deepening was not the core of the economic policy. From 1971 to 1974 deepening process was pursued only in a limited manner. And it was only after 1974, when the rates of growth began to decline, that deepening became a primary concern for authoritarian regime.

In this sense, arguing that the deepening process had occurred before BA regimes under democratic conditions and showing that the primary concern of BA regimes was not “deepening”. Serra presents an important criticism to O'Donnell.

In this section, I have tried to present main debates on populism and the debates on particular Latin American countries including populism, ISI type of industrialisation and BA regimes. In the next chapter, I will try to present the debates on Turkey and try to evaluate how these studies affected the way of arguments in Turkish political and economic life.

CHAPTER 3

POPULISM AND ISI DEBATES IN TURKEY

In order to analyse and explain the developments in Turkish political and economic life in the post-war period, populism and ISI have been used as effective instruments among scholars. As Yalman (1985) states, the debates in Turkey benefited the literature on populism and ISI, based on the Latin American context, however it has to be pointed out that different meanings and contents were attributed to concepts which led to conceptual complexity in Turkish case. Moreover without developing arguments on theoretical framework of populism and ISI, they were used by Turkish scholars either by including some hypothesis or by changing the meanings of the concepts (Yalman, 1985: 17). In this sense, the attempts for explaining a particular period of Turkey more or less used populism and ISI, despite varying emphasis on political or economic dimensions.

The economic assessment of the period in question basically focuses on the industrialisation attempts and evaluations that are made on the shortcomings of the industrialisation processes. Despite varying ideas, it is commonly argued that Turkey experienced ISI as the particular accumulation model for a specific period of time. The conflicting ideas on ISI are mainly due to the emphasis on different

intervals denoting ISI experience. For example Keyder argues that it was the 1950s when ISI was adopted (1989: 209). Boratav on the other hand asserts that 1962-1976 period was the interval when ISI policies were implemented (1988a: 94). Pamuk argues that ISI started in 1954 and ended in 1980 (1984: 51). Güllalp (1983) on the other hand presents the interval from the 1960s to the 1980s to denote ISI implementation. This periodization attempts are also related with identifying populism with ISI, which I will also focus on. But firstly, I will present the debates on ISI process that Turkey experienced. Therefore, I will try to present the economic developments and the attempts for industrialisation.

Industrialisation policies in Turkey accelerated in the 1930s, which was called as Etatist Period. In this period the establishment of the industrial infrastructure was undertaken by the State. The People's Party, which was later renamed as Republican People's Party (RPP), ruled for almost thirty years and after the Great Depression state focused more on the economic policies rather than political and social reforms.

It is a matter of fact that Turkey is predominantly an agricultural country. Therefore while the agricultural products were exported, Turkey needed imports for manufactured goods. Yet, the Great Depression heavily affected both the imports and exports potential as it has also occurred in many parts of the world. As agricultural exports were the primary source of foreign exchange, the decrease in the prices of these products, along with the decrease in the quantity of exports, forced the Turkish government to decrease the imports. Decreasing imports created the basic initiative of Etatist policies.

Under Etatism, the state would serve two functions. In addition to its traditional regulatory duties, it would assume the task of producing goods for the national economy. Thus, the Etatist state undertook to enhance the country's basic infrastructure, while also engaging itself in almost all facets of manufacturing (Barkey, 1990: 46).

In this respect, while the State actively participated in the development of manufacturing sector, it ignored the agricultural sector. Accordingly, a large portion of the population remained outside of this industrialisation process. Subsequently, this development had effects on the political failure of Republicans People's Party in the forthcoming days.

In order to mobilise the industrialisation attempts two "Five Year Industrial Plan" were put into action. The first one went into effect in 1934, and the primary concern of this Plan was:

[t]o save foreign exchange, the rapid creation and development of a consumer goods industry in general, and the textile industry in particular. It also called for investments in intermediate goods sectors, such as chemicals (Barkey, 1990: 48-49).

The second one, which went into effect in 1938, on the other hand called for investments in the capital and intermediate goods sectors. Another development in this period was the establishment of State Economic Enterprises that were the special institutions for capital accumulation. They were put into action in order to be governed as private maximising firms.

Barkey argues that Etatist policies, when combined with the social and political reforms, provided grounds for primary industrial infrastructure; hence enhanced the State's power. When the distribution policies are analysed, Boratav argues that while the workers and peasants suffered from Etatist policies, it was the industrial bourgeoisie and private sector, who co-operated with the State benefited from distributive policies (1988a: 62). However these policies could not be handled in the long-term. After the Second World War both the exogenous and the indigenous factors forced to change Republican People's Party's politics. The possibility of obtaining foreign aid from America, debates and break ups within the Party itself forced RPP to permit for the establishment of another Party. Accordingly, the Democrat Party arose in the political arena by stressing its opposition to Etatist policies, particularly about its promises regarding a liberal market system, democracy and appeal to larger segments of the society.

With respect to the developments in the post-war period, in 1950 there occurred a major change in Turkish political life. Democrat Party (DP) won the elections and became the leader of the Turkish political life. It is obvious that the importance of DP was not only limited with its success in breaking the mono-party rule, but its politics had a crucial role, insofar as the integration of party politics with the world developments are concerned. The supporters of DP are also important when the politics of the Party is taken into account. DP had the electoral support of intelligentsia, new business elite, peasantry and the urban workers (Barkey, 1990: 48-49). Accordingly, there was a growing emphasis on the private sector-led industrialisation and inclusion of agricultural sector into the industrialisation process.

DP demanded electoral support by offering incentives, credits and subsidies to the electorates. When they won the elections, the party channelled these incentives to land owners and urban capitalists. In the first half of the 1950s agriculture was the primary concern for the Turkish politics, which was in accord with the role prescribed to Turkey by foreign counterparts. Membership in NATO and foreign aid programs determined the basic policy implementations and further developments. The aid programs of the Marshall Plan induced mechanisation and commercialisation in the agriculture. This development in turn “provided the impetus for the early stages of industrialisation by allowing the transfer of surplus investable from agriculture” (Yalpat, 1984: 5). Landed capitalists grew and they benefited from the advantages of subsidies for agricultural sector. Taxes on agriculture were eliminated, credits allocated to agriculture were increased, high rates of minimum prices were set and the agriculture was mechanised. The second growing group was the urban capitalists. They were re-establishing the links with the foreign investors and capital, which had been severed during the Second World War. Government’s policies towards eliminating strict import restrictions, long and medium term cheap credits helped the manufacturing sector and urban capitalists to develop. In other words these two groups were the main designators of the political and economic life of Turkey during the first half of the 1950’s. For general view of the period from the post-war until 1953, a summary of Boratav’s ideas is important. He argues in the period at the issue the living conditions of the social groups were developed, real incomes increased, the peasants were included in the distribution policies, trade capital enhanced. It was only the wage-earner group whose position was relatively worsened (Boratav, 1988a: 84).

However, in the second half of the 1950s, the advantage of the political and economic power shifted to urban capitalists.

Following the collapse of the world market for Turkey's agricultural commodities and raw materials, resources (in the form of import licenses and credit) were diverted away from agriculture and towards industry, alienating the landed capitalists (Yalpat, 1984: 4).

Therefore, the general review of the period under consideration shows that, accompanying to the DP politics and the world conjuncture there was a considerable empowerment of middle class entrepreneurs and businessmen together with the rural elite. Moreover there was a strong tendency towards the industrialisation and commercialisation of the economy.

After this short presentation of the view of the period it is necessary to outline the course that resulted in the 1958 crisis and the following military intervention. It is an important development of the period that the power of the landed capitalists started to diminish in the second half of the 1950s. Hence, this period was in fact determined by an intra-class struggle between the landed and rural capitalists. Besides, the macroeconomic balances were deteriorating. Yalpat states that:

In this period, foreign aid alone clearly could not sustain the economy, and attempts to attract foreign capital failed to generate an inflow of the desired magnitude. The government resorted to deficit financing, setting off inflation and shortages and culminating in a severe balance of payments problem that brought accumulation to a halt in 1958. The International Monetary Fund (IMF) moved in that summer to oversee debt rescheduling operations and stabilisation measures

involving a de facto devaluation, curbs on government spending, and decontrol of foreign trade and capital flows (1984: 4).

In the stabilisation program that was enforced in the 1st of August in 1958, the most important mechanism was the devaluation of the Turkish Lira. Tekeli presents that Turkish lira was devaluated almost more than %30 percent against dollar, by which it was aimed to limit imports while increasing exports. Moreover, for the restoration of the market, increase in the taxes, decrease in the state expenditures, avoid of emission and rise in the interest rates were the other measures of the stabilisation program (Tekeli, 1984: 232).

It is following these developments that the 1960 military intervention took place. It would be a mistake to argue that the army intervened to prevent recession in the economy. On the other hand economic disequilibria alongside the DP politics resulted in this intervention. The Democrats has come to power on the basis of the belief that free competition without any bureaucratic restraints in the economy and polity would result in consolidating democracy in Turkey. Particularly after the 1957 elections, increasing economic difficulties and strengthening opposition prompted the DP to bear down on their opponents and introduce measures limiting democratic rights. Therefore, attempts of DP to disgrace military and bureaucracy; and the increase in the power of and influence of the entrepreneur groups and businessmen; increasing votes of Republican People's Party (RPP) due to changing politics and discourse in the 1957 elections; respond of DP with harsh measures to quell the oppositions and threats to close down RPP; relatively strong relationship of RPP with the army paved a way to the 1960 military intervention. But since the scope of this thesis does not cover the specific character of the military

interventions I will not present the particular debates on the subject. At this point, the important point is that Turkey, after 1950's, experienced a structural change in political and economic arena. Dissolution of mono-party system, getting rid of the Etatist policies, enhancement of entrepreneur groups and industry, DP and military relations and the forthcoming foreign exchange crises due to state's efforts to maintain the economy with deficit financing were the primary grounds of 1958 crises.

The period after the 1960 military intervention until the 1970s, although there are arguments that ISI started before 1960, and ended in 1980, was commonly identified with a new type of development model: ISI. The theoretical framework of ISI and its subsequent outcomes were explained with reference to Latin American countries in the second chapter. Now, I will try to present the implementation of the strategy in Turkey by also including the developments of the period.

As it was stated earlier, Hirschman (1968) reckons "wars, balance of payment difficulties, growth of the domestic market and official development policy" as the motive forces lying behind the ISI policies. These motives were also apparent in Turkish experience. Faced with the balance of payment difficulties due to foreign exchange shortages, Turkish governments adopted ISI as the official instrument for the economic development. By the early 1960, there was an attempt of industrialisation through an expanding domestic market. Growing state's interference in infrastructure protection measures, incentives, cheap credits were the main measures of ISI politics in Turkey.

Pamuk (1984) argues, in parallel to the debates in the dependency approach, that ISI was a kind of capital accumulation model that was adopted by the underdeveloped countries, and the growth in industrialisation was dependent to capitalist developed countries. According to Pamuk the initial period of ISI in Turkey started in 1954-1962 period. When the economy started to suffer from the economic model that depended upon agriculture and foreign trade, IS has started to be implemented by the control of private sector and State Economic Enterprises. However, it was 1963-1970 period that the ISI model provided a considerable growth in the economy. Foreign exchange which had a considerable effect on the success of IS was in a large extent provided by “domestic savings” and increase in the domestic production (Pamuk, 1984: 52).

The import regime of Turkey in this period outlines the framework of what was planned in order to apply ISI. According to Barkey:

One basic principle that guided the Turkish import regime of this era: all available foreign exchange resources were to be spent and distributed among the different sectors of the economy in accordance with the government’s and State Planning Organisation’s development programs and goals. Through the import regime, the governments controlled both the quantity and the nature of imports, and attempted to strike a balance between the private and public sector requirements (1990: 70).

Accordingly by the import regime, import goods were categorised. In the first category, there were freely importable goods, which had no substitutes in the domestic market. The second category consisted of goods that were quantitatively restricted as the substitutes, which could be partially produced in the domestic market. And the third category included the restricted goods, which could be

produced in the domestic market, or which were regarded as luxury (Barkey, 1990: 70). In this perspective, the quotas and tariffs were put into practice in order to realise ISI strategy. Moreover overvalued exchange rate policy was also adopted. This policy, as it was stated earlier, was on behalf of the domestic industrialists as overvalued exchange rates reduced the cost of imports.

During this period, Turkey has experienced a considerable economic growth. In fact when the crisis of 1958 is considered, it can be observed that the economy was suffering from lack of foreign exchange and balance of payment deficit. Therefore, Arıcanlı (1990) points out an important development that facilitated the economic growth starting from 1960. He argues that “remittances of Turkish migrant labours increasingly ease foreign exchange shortage and alleviate balance of payments deficits. This translates into a period of fast growth and high employment” (1990: 231).

First of all, it seems quite a realistic evaluation that remittances has provided grounds for foreign exchange surplus which helped Turkish industry to grow without any bottlenecks. Ascribable to rural migration and polarisation in the metropolitan areas was a growing problem for Turkey since mid-1950s. Beginning in the 1960s, labour migration to Germany not only opened a way for employment opportunities in the metropolitan areas; but also, this development eased the polarisation by transferring group of rural migrants to Germany.

However despite the considerable growth in the domestic market, by the 1968 the import dependence of the economy and the manufacturing sector had also

increased. Moreover, there was a considerable decrease in the foreign exchange reserves. In order to get rid of this heavy dependence on imports and rise in the foreign exchange rates, in 1970, the military and bureaucrats made a take-over once again and introduced a stabilisation program. This time Turkish lira was devaluated against dollar nearly as %68 percentages (Tekeli, 1984: 232-233). Despite the opposition of private sector more or less a comparative success was achieved by increasing the portion of exports and foreign exchange reserves. According to Boratav (1988a: 104) from 1974 and 1974 and according to Pamuk (1984: 52) from 1971 to 1977 the rapid increase in the workers' remittances and increase in the foreign credits eased the bottlenecks and helped the implementation of ISI policies. However it is argued that the rise of oil prices had drastic effects on Turkish economy after 1974. Moreover the decrease in the worker's remittances also negatively affected the economic policies.

In other words between 1973 and 1974 Turkey has faced a double shock:

The first was the impact of the oil price shock on the import bill. While the general structure of trade remained the same, in 1977 oil imports equalled 80 per cent of the export earnings. The second was the new economic policy of the EEC countries, a response to the first oil price shock. This was an austerity program that directly affected the absorption of non-EEC guest workers. Turkish labour migration came to an abrupt halt (Arıcanlı, 1990: 234).

New austerity program had a drastic effect on the Turkish economy. The remittances were declining and potential migrants were adding to the domestic market. Therefore there was a growing unemployment. The choice of the Turkish government was towards a "drain on foreign exchange reserves". Later they had to

be supplemented with borrowings in the short-term credit market that proved to be unsustainable.

Cyprus invasion in 1974 was also a negative event for the Turkish economy.

In addition to the cost of operation, the continued maintenance of large numbers of troops on the island and the subsidisation of the Turkish Cypriot administration, the invasion also provoked the U.S. Congress to impose an embargo on Turkey. The embargo proved to be an expensive punishment because it forced Turkey to use valuable foreign exchange resources to buy arms which, otherwise, would have been received under such favourable conditions as grants and the like (Barkey, 1990: 99).

In short, Cyprus event, fluctuations in the remittances of the Turkish immigrants and the oil prices can be presented as the external factors that led to crises in 1977.

The success of ISI policies had reached to its peak during the 1960s; yet, by the early 1970's it had reached to its difficult phase. Öniş states that:

[t]ypical of the ISI pattern following the completion of the substitution process in consumer goods and consumer durables, a number of imbalances started to emerge, of which the heavy dependence of the manufacturing sector on imports of intermediate and capital goods was one major element. The industrialisation strategy and the nature of the foreign trade regime rendered the economy particularly vulnerable to external shocks and amplified the impact of oil price increases in the post 1974 period (1986: 9).

Öniş (1986) and Barkey (1990) consider the attempts of the policy makers for continuing ISI strategy as another key factor that induced the crisis. Within this

framework, they argue that Turkey continued to imply ISI despite quadrupling of the oil prices and the world recession. Accordingly the export shares continued to diminish and the import shares increased. However, Turkey could not handle to maintain its foreign indebtedness, as the economy could not generate the foreign exchange earnings.

Protection and overvalued exchange rates were other important measures that resulted in the crisis of ISI politics. Enforced for easing the development of domestic market, the protectionist measures, which were activated by tariffs and quotas, resulted in the “economy wide distortions and misallocation of resources”. While tariffs manifested themselves as the increase in the prices of domestically produced basic consumer goods, quotas led to domestic oligopolies. Moreover, as the domestic producers benefited the advantage of tariffs and quotas, the market inefficiently produced manufactured goods at high prices. Overvalued exchange rates, on the other hand, dramatically decreased exports, while increased imports. Overvalued exchange rates also negatively affected the behaviour of the domestic producers. “It encouraged the movement towards montage or assembly industries which further increased the economy’s dependence on imports” (Barkey, 1990: 96). Moreover, this policy was one of the major factors that led to foreign exchange crisis by causing the decrease in the exports.

Balassa draws a general framework of the Turkish economy and he argues that:

[b]y 1978, Turkey's borrowing possibilities were virtually exhausted and it became increasingly difficult to obtain the foreign exchange necessary to purchase the imports needed for the normal functioning of its industry. The situation further deteriorated further in 1979, when the acceleration of inflation was only partially offset by increases in nominal interest rates, leading to an outflow of funds and reductions in worker's remittances. With increasing foreign exchange stringency, there were considerable shortages of energy, raw materials, and spare parts in Turkey. As a result, industrial production fell by 5.6 per cent in 1979 and the gross national product also declined (1983: 438).

In this respect Pamuk (1984) argues that the initial existence foreign exchange provided either by worker's remittances or external debts had a negative effect on implementation of ISI and prevented to pass the stage of production of intermediary and capital goods when the exchange shortages started. Therefore despite the possibility of industrialisation by IS through lessening the dependency on foreign exchange, the wrong economic policies showed that this could not be handled in Turkey (Pamuk, 1984: 66-67).

Boratav opposes the arguments on the crisis of ISI. On the other hand he proposes that the difficult phase of ISI model could be achieved. He argues that the failure of ISI was not due excess IS but was due false and insufficient implementation of IS (Boratav, 1988a: 110).

With respect to the developments mentioned above, the crisis of late 1970s culminated on 24 January 1980, stabilisation program and the 12 September 1980 military intervention, which completely put aside the ISI policies and initiated the export-oriented industrialisation process.

Having presented the economic developments and ISI experience of Turkey in the post war period, I will now try to focus on populism debates. The objective is trying to grasp how populism was used in order to explain and analyse the particular developments in Turkish political and economic life in the post-war period.

When we have a general look to the debates on populism, we see that there are varying ideas. In the previous chapter, the attempts towards theorising populism and the debates in Latin American context were presented. It has been stressed that the debates in Latin America also varied according to the emphasis made either on political or economic dimensions. In Turkish context, there are also complexities in populism debates. There are rich and controversial debates on the term. Boratav (1983,1984,1985,1988a, 1988b), Keyder (1984, 1987, 2000), Gülağ (1984), Yalman (1985, 2002a, 2002b) may be presented as the scholars who have important contributions to populism debate. Accordingly while focusing on populist experience of Turkey I will benefit from their studies.

Firstly, it has to be pointed out that the initial conflicts among scholars start with defining the interval of populist experience. Despite conflicting ideas on the exact interval, more or less scholars take the term as the prevailing characteristic of the 1950s or the 1960s and the 1970s.

If we are to seek different intervals discussed in terms of populism, we see that Sunar (Yalman, 1985) takes the 1950 as the starting period and the 1970s as the end of populist period. In this respect, he excludes the RPP of the 1930s. According to Sunar, RPP was authoritarian but not populist, as the party did not depend on

political participation. Sunar's attitude is related with the analysis of DP period. From his standpoint, populism of DP is not related with the economic policies followed. What made DP populist is its tendency to organise different segments of the society under a popular alliance and motivate them against bureaucratic centre, which could be provided by the weakness of civil society and pluralist organisation (Yalman, 1985: 60). In this argument, it can be stated that Sunar does not present a necessary link with the easy stage of ISI and populism. When the DP period from 1950 until 1958 is taken into account it can be argued that it followed a tight foreign trade regime. Therefore labelling DP as populist means that there is not a necessary correlation between ISI and populism. Hence, in Sunar's argument, the emphasis is more on the political dimension of populism.

Gülalp (1984) on the other hand argues for the expansion of the interval from the 1960s to the 1980s. Hence his problem with periodisation is related with the end point. This kind of a debate point is differentiated from the previous debates, which takes end of the 1970s as the end of populist politics. The prevailing dynamic to end the populist period with 1976 is due crisis Turkey faced in 1977, which changed political and economic discourse. Yet, Gülalp emphasis on taking 1980 as the end of populist period is related with his dichotomy of military interventions and populism. Taking 1980 military coup into the scope of analysis leads to define a different interval for the term. From this point, it can be argued that Gülalp defined populism as a political regime. Therefore his emphasis on 1980 as the end of populist form of politics can be presented as evaluating populism as a political regime, hence arguing that by the military intervention the populist regime turned into a military regime.

Moreover, while Boratav (1983) takes 1962-1974 period as populist, Keyder (2000) focuses on 1950-1980 as defining populism. I will present a detailed analysis of Boratav and Keyder's thoughts, as they denote a well-stated position in populism debate. However, until now it can be argued that although there are different views on the interval, 50s, 60s and 70s are presented as periods when ISI was experienced among Turkish scholars if we exclude the ones who argue that Turkey did not experience a popular period. Küçük. (1985).

I have stated that Boratav (1983) conceived populism as labelling 1962-1976 period. It has to be asserted that he opposes the attempts that try to explain 1960-1980 period either by "planned period" or "ISI". On the other hand he argues that he tries to analyse the period by populism concept. Arguing that while planning period or ISI draw attention to decision-making process in resource allocation or the integration of the economy with the foreign world, he stresses that populism explains the relations between the political regime and inward looking distributive policies (Boratav, 1983:7). He does not exclude 1950-1960 period, but he argues that this period was the initial stage of populism. Because according to Boratav, the conditions for the inclusion of interests of labour class into the political agenda has been provided by the 1961 Constitution, which was an important prerequisite for populist form of politics. According to Boratav, the political framework of populism is drawn by the existence of a parliamentary regime through which the labour class could effect the decision making process that are especially related with their economic interests, but can not be organised effectively to be an alternative to the existing political authority (Boratav, 1983:7). The economic policies that focus on income distribution mechanisms are important in Boratav's analysis. In this

sense ISI had a particular importance. However, it can be stated that accepting that IS had started in 1930s Boratav also breaks the link between first phase of ISI strategy and populism. In other words, according to Boratav although ISI type of accumulation model and populism went hand in hand, this does not mean that IS can be implemented by other than populist form of politics. ISI model is necessary for populism as far as it provides the income distribution policies by high growth rates. Besides the parliamentary regime and right to organise are also the necessary conditions for populism. In this respect, it has to be concluded that for Boratav the distribution policies of outward looking policies do not reconcile with populism (Boratav, 1984: 79). He presents increasing real wages and peasant's income as the main elements of the populist period. And Boratav presents that the real wages increased from 1963 to 1977, despite decreasing profit rates in the economy, however, real wages declined though profit rates increased between 1977 and 1988 (Boratav, 1991: 36). In this respect, IS provided the necessary conditions for income distribution policies by populist politics that are on behalf of workers.

The reason beyond choosing 1976 as the end point presents a similar way of thought. With respect to Boratav (1983, 1984a), the economic crisis of 1977 prevented to implement populist policies, as distribution mechanisms could no more be handled. ISI strategy allowed the distribution model, which helped for the rise in the real wages of the workers, and the real incomes of peasants as far as high growth rates are secured. However, despite the decline in the growth rates, the high wage demands of the wage earners exceed the limits for dominant classes. And accordingly, populist policies ended in Turkey. This point also draws attention to an important conclusion. As we know, the debates in Latin America included concepts

of form of state and type of regime when analysing populism. As Yalman (1985) states, although Boratav does not say that he used populism as a form of state or type of regime, introducing 1977 as the end of populist form of politics shows that populism can end without a regime change. Therefore, Yalman asserts that Boratav does not use populism as a political regime, but as a form of state (1985: 57).

When we focus on Boratav's analysis and try to understand his attempts in explaining the economic and political crises in the post-war period we may see that he explains the crises neither by the crisis of ISI or by the crisis of populism. He asserts that the dependency of Turkey was due to wrong and insufficient implementations of IS policies in contrast to the ideas of scholars who argue IS increased dependency (1988a: 110), as explained previously in ISI debates in Turkey part. Boratav (1984b) focuses upon the external factors of workers remittances and foreign aid programs for defining the crises, especially the one that was experienced in 1977. The elements such as "workers remittances" or "foreign aid programs" were also included in the previous parts as dynamics to explain the economic and political sphere of the era that is under examination. However it has to be concluded that in any of the explanations they were taken as the primary source of crises. While the arguments on the economic side included these notions in order to explain the dynamics that eased to implement particular types of industrialisation, such as ISI, the political explanations used these developments for presenting the reasons beyond changing economic and political policies. However Boratav's point is quite different as he primarily focuses on the external factors in his analysis. From Boratav's standpoint neither the debates on the crisis of ISI, which resulted in the balance of payment crisis, nor the arguments that focus on

class struggles, arguing that all policies are directed by the dominant classes can explain the crises (Boratav, 1984b: 258). On the other hand he stresses the idea that the national economic policies are determined by the external conditions. Therefore for Boratav, it is the world conjuncture that shapes the economic policies. He supports his idea by presenting that foreign trade deficit which is seen as an outcome of the ISI politics has started in 1947. And once presented that foreign trade deficit has started in 1947, Boratav argues that balance of payment crisis that has been experienced since 1958 cannot be explained by ISI policies, which was adopted after 1960. He includes the worker's remittances and the appeal of United States as elements deepening the crises. The foreign aid that was channelled to Turkey by Truman Doctrine and Marshall Plan had directed Turkish economy towards increasing imports and decreasing exports, instead of presenting effort for vice versa. In other words, Boratav blames U.S. as it increased Turkish economy's dependence on foreign resources, which are used to finance deficits. Moreover he evaluates the effect of the Turkish workers remittances in the light of same view, and proposes that it had also negatively effected the direction of economic policies. In sum, for Boratav, the reasons of the crises should not be explored in ISI politics or class relations. On the other hand the failure of these dynamics should be evaluated within the world conjuncture that gave way for the economic and political crises especially after 1977.

Keyder is also an important figure in discussions of populism. He starts out populist period with 1950 period. In fact he also includes 1946-1950 period as the initial start for the populist contestation in Turkey, because until the elections of 1950, "going to the people" has become the crucial formula of the politics (Keyder,

1987: 117). Keyder argues that, Party discourse of “going to people” was an important development that signalled the beginning of populist form of politics by including larger segments of the society into politics.

DP’s discourse was structured around “religious freedom and free market.” Moreover DP was uncomfortable with the State intervention into the market. Therefore they built their economic policy around the free market mechanism where there would be no bureaucratic control or regulation. The US reconstruction plan accelerated the tendency towards economic liberalisation. “Turkey was eligible for grants and aid in exchange for military dependence and economic liberalisation” (Keyder, 1987: 119). In accordance with the economic program that US defined, the dominant feature of the new economic and political measures of Turkey has become the concentration in the world market by putting aside the protectionist measures. The new agenda of the Turkish government was investing in the “agriculture based industry”. State spending was channelled in the road-network for facilitating the marketisation of agricultural products, and other infrastructure projects. While mechanisation of the agriculture increased the output of agricultural products; the establishment of road-network provided the access of the agricultural products into the market. When the idea of free market and efforts for developing agriculture appealed mostly to the “urban petty bourgeoisie and the peasantry”, the idea of religious freedom appealed to the larger segments of the society including these classes as well. Keyder argues the idea of religious freedom had a great potential for populist mobilisation. The integration of previously excluded groups into the political and economic space was the success of populist policies of DP. In this respect there was a growing support for DP by the large groups of the society,

which hitherto was subject to the domination of “bureaucrat-bourgeois bloc”. All the social classes supported DP whether or not they were totally aware of their particular interests (Keyder, 1987: 122). The increasing support of DP politics was also related with the high social mobilisation. Migration from rural to urban cities has started. While at the beginning seasonal workers were migrating to the cities, by the increasing opportunities of employment in the service and public sector this tendency turned out to be persistent. Therefore DP increased its support among this part of the society.

Keyder (2000) argues that along with the populist form of politics, the changing class relations were also important. He argues that from 1950s up until 1965, the growth in the economy provided by IS led to formation of different paths of class alliances. Firstly it was the changing position of the bureaucratic class, which was an important shift in the Turkish political life. The existing alliance of bourgeois and bureaucratic elite during the Etatist period has ended after 1950. Moreover, the apparent power of the bureaucratic elite in political and economic life has shifted to the industrial bourgeois, which was enhanced due to the opportunities provided by the liberal type of accumulation model. However, Keyder stresses the fact that:

[t]he Turkish bourgeois never developed an ideology designed to conceal the intimate state-economy relations of capitalism from the public eye. Instead they openly avowed the indispensability of a Statist economy and a restrictive political system (1987: 202).

Therefore the rise of manufacturing bourgeois was again designed by the State. On the other hand, the bureaucracy undertook the role of distributing foreign exchange. The working class was also a part of this alliance. With the right of unionisation, they could demand higher wages and the industrial bourgeoisie could respond to their demands due protectionist rents provided by ISI. And finally a group of peasants producing for the agriculture was also included in this alliance (Keyder, 1984: 14). In this respect, we see that class alliance has a particular importance in Keyder. As Yalman (1985) points out the populist alliance in Turkey almost included all social segments. Moreover there is not a clear presentation against whom this populist alliance was established. Accordingly, it may be argued that in this respect the populism debates in Turkey may be distinguished from the debates occurred in Latin American context, which emphasised the populist coalition was built against oligarchy. Although it may be argued that different than Latin America, it was the petty production relationships in the rural areas of Turkey that was dominant, it is still a matter of question against whom this populist coalition was built (Yalman, 1985: 56).

With respect to explanations above, Keyder (1987) argues that economy began to suffer by the second half of the 50s, which was an outcome of the fluctuations in the world market. However DP implications of “inflationary finance through increasing credits to the agriculture, price support programs and rapidly growing public investments by issuing money” (Keyder, 1987: 134) with a completely populist stance; despite worsening of the economy by 1954 has led to the bottlenecks of the economy. Parallel with the economic difficulties, the changing social structure was also an important element that gave way for the

military coup of 1960. Keyder argues that the new path of accumulation model and State's changing role in the economic and political sphere was the decisive factor of new social structure. The notions of "order" and "stability", which were provided by the State was now in the secondary place. Due increasing opportunities in the market, where State was withdrawn, the individuals have started to struggle for rents and, State's effort for providing the political stability has resulted in the military coup of 1960.

By 1960, the new development strategy was ISI, which was explained in details through the economic assessments of the developments in Turkey in the post-war period. Keyder stresses the internal class balances and pattern of relationship with the external world as the decisive element in analysing the period. In fact he sets these elements as the constraints of ISI strategy. I will first try to present the effects of ISI on class relations. Then I will try to display Keyder's analysis on the world conjuncture.

It has been previously stated that ISI had provided an advantageous position for the industrial bourgeoisie. The mechanisms of protection gave way for high rates of profit for the domestic industrialists. This mechanism in turn created the grounds for satisfying the demand of powerful labour unions for high real wages. In this respect it was the industrialists and a portion of labour class that benefited the advantages of ISI strategy. However, "new entrepreneurs, the new urban dwellers and traditional small industrialists in Anatolian towns" were suffering from the developments in the industrial sector. Given its technology and the nature of the commodities produced, these small industries were driven out of the market.

Moreover the labour was exploited in these groups. Small capital extracted high levels of surplus value from their workers, which they lost to the big capital. (Keyder, 1987: 175) This monopolisation of industrial capital has led to the polarisation of the society, which drew the path for the crisis of 1970 and 1977.

In fact when the growth rates started to diminish by 1970, this polarisation has better showed itself. Keyder argues that in the political area there was still populist form of politics. The Nationalist Action Party and the National Salvation Party were the new smaller parties of the coalition with The Republican's People's Party and the Justice Party. These two smaller parties kept their popular base through expenditure while they took part in the coalition governments. The bigger parties on the other hand tried to create employment and patronage in order to take place in the competition. The urban mass was a potential base for almost all groups. In the period at the issue state economic enterprises were used for job creation and investments. When the oil price shock or the decrease in the remittances and limitations on the austerity programs are taken into account, the government's expenditures and employment policies seem irrational. Yet more or less all the political parties followed a similar path to maintain the popular support. They increased public expenditures and followed similar employment policies, which led to a solution in the short-term but a crisis in the long-term. As Keyder explains:

[w]hen Turkish peasants arrived in the city, located some land on which to build their 'gecekondus' and found jobs remunerative enough to sustain their aspirations, populism was in its heyday. When the State budget could subsidise both the urban petty bourgeois and the rural small producers, and the transportation network with accompanying services was extended to remote towns and villages, the state could in fact be legitimised through its munificence...When the growth slackened in the

1970s, it became increasingly more difficult to sustain the populist pipedream of an ever-extending national market, and impossible to ignore the conflicts concerning the distribution of costs acquiring from the inevitable rise of industrial capital (Keyder, 1987: 204).

However, the populist distributive politics were not given away and the crisis deepened.

Keyder's (1984) analysis of crisis of the ISI model in centre periphery relation, asserting the possibility and success of the model with respect to world economic conjuncture and preferences of the hegemonic power, U.S. is another important analysis of the period. In fact if we are to investigate how crises were analysed, we may argue that again for Keyder, as it is the point for Boratav, neither ISI nor populist politics can help us to understand the economic and political crises in the post-war period. They are mechanisms that accelerated the crises by deteriorating the class balances and deepening the economic crises. However for Keyder understanding crises cannot be limited by simply evaluating economic disequilibrium or inner dynamics of a country. For Keyder on the other hand any crisis is an outcome of economic, political and ideological structure of a country in a specific period (1984: 29). Accordingly he includes political and ideological values into the analysis as well as the economic developments. For Keyder, it is the "world system", which overwhelmingly defines the local crises as far as national policies are shaped within the world system.

Keyder (1984) presents some important conditions and prerequisites to explain the developments in any national country. Intra-class balances, the demand

and pressures of capitalist groups and the hierarchical sanctions of the world system, which these countries belong to, define the policies of the country. He puts forward a similar dynamic to explain the developments in the national capital. He argues that capital within the country exists according to the relation of the capital with other groups, inner-struggles, state's role within this framework and more importantly according to the relation of the national capital with international capital and the role assigned to it in work-division of the world (Keyder, 1984: 30). He stresses the relationship of the national capital with the international capital to develop his argument. He points out that while this relationship is viewed as a simple transaction between capital through trade, investment and credit; there is in fact an indirect relation as far as the state's role is considered. When the international and national capital intersects, state inevitably takes part in this mechanism. And in this mechanism, for Keyder, it is the capitalists that try to control the political mechanisms in order to control the capital.

To understand how the hegemonic state exercises power, the way it followed to structure the capital accumulation should be understood. First of all, as explained by Keyder, the hegemonic state prepares the institutional framework for its national capital through the 'economic relations' by eliminating the obstacles in front of the economic transactions. In other words the hegemonic state directly deals with the obstacles set by the other states. Moreover in order to sustain international economic activities, the hegemonic state issues the "world money" and works for the establishment of institutions that will help accumulation process (Keyder, 1984: 31).

It is clear that there is a political and economic division of labour in the world economy. Therefore the hegemonic state should establish the accumulation opportunities that will realise division of labour. Keyder argues that the hegemonic state, US, provided the accumulation opportunities in Turkey and Latin America after the Second World War.

Turkey was an important country for U.S., as it was an emerging market, which at the same time was a source of cheap labour. Therefore U.S. tried to provide the necessary conditions for product and capital export. The industrialisation history of Turkey defined the forthcoming type of industrialisation. Because Turkey has experienced the early phase of industrialisation in 1930s through Etatism and as there was a domestic market, although weak, ISI model fitted the needs of industrialisation process headed by the hegemonic state.

During the 1950s and then, the industrialisation attempts were strongly bounded to the availability of private or official foreign exchange. Because, while exports were declining these countries adopting ISI model had to import intermediate and capital goods for production. Clearly, the countries adopting ISI strategy needed foreign exchange. In this respect, Keyder opposes the idea that ISI is an alternative development strategy that is adopted by the choice of the underdeveloped countries. On the other hand he argues that ISI does not contradict with the ambitions of US policies. Because he argues that the “protectionism” idea inherent in the ISI strategy does not deteriorate the free trade idea. While the idea of protectionism puts quotas and tariffs, and helps the domestic producers for the production of basic consumer goods, the necessary intermediate and capital goods

are still imported. Therefore, the imports do not decrease, on the contrary the relative importance of imports for production increases (Keyder, 1984: 33). Moreover Keyder argues that protectionism provides oligapolistic opportunities for international capital in the domestic market. Therefore for Keyder now, what important is the “capital flow” rather than the free trade. Thus the crises of 1977 cannot simply be explained by the crisis of ISI.

The Keynesian politics adopted in the post-war period had a drastic effect on Turkey. Keyder explains Keynesian politics as the world-wide allocation of income. It is applied by the hegemonic state, and this ability continues as long as the hegemonic power survives (Keyder; 1984: 33). Keyder analyses this type of capital accumulation model and the social structure in the hegemonic country after the 2nd World War in order to understand the reflections on the less-developed countries. In the post-war era Keynesian politics were brought into the agenda to overcome the imbalances of 1930s. The crisis of 1930s was typically due to excess production or insufficient consumption, which was determined by the high profit rates and decreasing consumption opportunities due low income. In order to get rid of the crisis the prices should decrease, the producers should welcome lower profit rates and real wages should be increased. However, in the crisis of 1930s, the capital owners preferred to decrease production instead of decreasing the prices, which resulted in the decrease of real wages and consumption, and increasing unemployment. In such a case, by the adaptation of Keynesian politics the role of the State considerably increased as the market regulator (Keyder, 1984: 44). State in the “welfare state” tried to overcome the insufficient consumption tendency. Therefore it tried to reallocate the income by increasing the real wages, which meant the

inclusion of labour class into the political equation. When the economy grew and the employment opportunities arose, the power of labour class has also increased.

There are two important dynamics when the share- holders of the market are considered. First of all, big firms specialise on “technology” and “product differentiation”. In other words monopolistic tendencies were limited with the technologic abilities. In this respect technology has become an important phenomenon in the structure of these big firms. Big companies focused on the improvement of technology, and they began to sell technology to either state or to the other countries. Capital-labour relation is also important when the big sharers of the market are considered. As far as big companies focus on the improvement of the technology, they try to establish good relations with labour and their unions. While they welcome wage demands, they guarantee that the unions would not oppose new production organisation. However, the small firms in the competitive markets appealed the wages as a cost element that can be reduced. Therefore while in the small firms, the labours earned relatively low wages, in the big and specialised firms they earn quite high rates of real wages (Keyder, 1984: 37).

When we have a look to the state’s role, we may see that state undertakes the investment of big technology spending by financing firms for research-and-development. Moreover state eliminates indefiniteness in the market by buying huge technologies. Accordingly, firms gain the opportunity of investing without any risks, while also having ability to sell these new technologies to the other countries.

State's spending is not only limited with the portion which capitalist producers take from the government spending or the labour's demand for wage regulations, which increases the social spending. In addition, state makes "sanctionary and ideological" spending as well. These spending serve the reproduction of the social structure. They are for establishing the economic infrastructure, such as municipality works, transportation, etc. without which some goods cannot be produced or sold (Keyder, 1984: 42).

One of the main problems in the post-war economic policies was the decrease in the profit rates. Keyder argues that this situation was strongly related with the position of the labour class. The increasing power of the labour unions prevented the surplus value to increase. Moreover, they accomplished to create political pressure on the state for the increase of real wages and social spending (Keyder, 1984: 45). He presents the decrease in the profit rates as the crisis of Keynesian politics. In order to solve this problem Friedman politics arises (Keyder, 1984: 43).

In the 1970s the hegemonic power of US has started to diminish. During 1960s, Europe and Japan performed high rates of growth. Moreover they specialised on the production of the specific goods, and in the 1970s they arose as a threat to US hegemony due their improvement in technology and production. While the establishment of European Union further expanded the European country's opportunities, South-eastern Asia provided the grounds for the further development of the Japan economy. The decrease of the dollar's value in this respect explains the

forthcoming crisis. Dollar crisis and the loss of power in the world economy showed why Keynesian politics could no more handled (Keyder, 1984: 48).

When US has started to lose its hegemonic power on the world economy, the oil producer countries and international capital started to fallow oligapolistic price policies. The rapid increase in the cost of oil not only increased the cost of production, but this situation also resulted in the concentration of money in the oil producer countries. In these countries money was transferred to Banks rather than investment. This situation was one aspect of the loss of hegemonic power of US. Secondly, as US's economy started to face crisis, Keynesian politics were left aside. Thus the aid from US to the less developed countries diminished fastly. The crisis of hegemonic power of US resulted in the crises of less developed countries as these countries tried to produce with high prices of oil and financed their balance of payments by borrowing from abroad (Keyder, 1984: 50).

In the light of these analyses, we may argue that the political approaches to the period of 1950-1980 are structured around populist form of politics and developments of the world conjuncture.

When we focus on the debates on populism, particularly on those of Boratav and Keyder, we see that the first phase of ISI and populism do not have a necessary link in their studies. Accepting that Turkey had experienced IS in 1930s, they break the connection between the first phase of IS and populism, which was seen as the form of politics of the 1950s or 1960s and 1970s. This point may be presented as one of the differences in Turkish debates when compared with the ones in Latin

America. Because in Latin America the easy phase of ISI was commonly identified with populist form of politics.

Secondly, the populist coalition also presents some differences. Within the framework of populism debates in Latin America, it was argued that this coalition was basically structured upon industrialists, workers and middle class that were allied against the traditional oligarchy. However, in Turkey, some part of peasants and bureaucracy were also included in this coalition. In this sense, the base of populist coalition in Turkey was wider than coalition of Latin America. Moreover, as it was stressed there is no clear explanation about which this coalition was built against.

Thirdly, income distribution policy has a particular importance in Turkish debates of populism. In fact it is such important that, especially in Boratav, it is used as the basic element in populist form of politics. When we focus on the studies in Turkey on populism, we see that the argument on income distribution and the limits of wages are even used to determine the starting and end point of populist period. In Latin American context IS and distributive mechanisms are also important, yet it is clear that there is not a study that so heavily focused on the real wages of the workers to analyse populism.

Finally, in the populism debates we see that the scholars, especially Boratav and Keyder, do not denote populism as form of state or a type of regime. They assert that parliamentary regime is the prerequisite for populist form of politics, however the kind of debates on the form of state and type of regime in the Latin

American context do not exist in Turkish debates. However, with reference to Boratav's analysis concluding that populism ended before the change of political regime, it may be argued that populism was regarded as a form of politics.

In terms of Bureaucratic Authoritarianism which was presented in order to explain the problems of ISI and populism that resulted in BA regimes in Latin America, in Turkey we see that the debates on populism and ISI for explaining the developments in the post-war era was not included in the debates. The attempt for explaining the inadequacies or the problems of populist form of politics and IS type of industrialisation concentrated on the world conjuncture.

These points can be concluded as the outcomes of the debates on populism and ISI in Turkey. As it is presented, ISI and populism was used for analysing developments in the post-war period of Turkey. There are both similarities and differences in the framework of populism debates when compared with Latin America. As far as the economic and political crises that resulted in military interventions are considered, it can be concluded that the debates focused more on the world conjuncture rather than analysing the failure of ISI and populism.

In the next chapter, an alternative explanation to the developments in the post-war period will tried to be explained.

CHAPTER 4

POPULISM THEORY OF LACLAU AND HEGEMONIC PROJECTS

As far as the evaluations made for the post-war period in Latin America and Turkey are considered, it was presented that populism was used as one of the key concepts. In this respect, it was also presented that the discussions on the post-war period also included the debates in populism theory itself, particularly in Latin America. For a better understanding of “populism” and the developments in the post-war period in Latin America and Turkey, it seems necessary to focus on Laclau (1977, 1980a, 1980b) and his theory of populism, which can be helpful for an alternative explanation.

Laclau, in his theory of populism, tries to overcome “elusive and recurrent” usage of populism and he tries to set forward a new theory of populism. In the second chapter, Laclau’s criticisms to some lines of arguments on populism were presented. In this respect, it has to be again stressed that Laclau opposes to the ideas, which either evaluate populism as an ideology, as a moment, as an ideology and a moment or as a transitional stage of development. In fact the main criticism of Laclau to the theories of populism can be presented as his opposition to the

functionalist approach that conceive populism as a transitional stage of development, in other words as a mean of periodisation. Therefore he presents an alternative theoretical schema that is benefited from the Gramscian concepts of “hegemony”, “articulation” and “national-popular”, which shed a light to particularly Latin American populism, and other populism experiences in general. In sum, as it will be illustrated it can be asserted that the analysis of populism within the theoretical framework of hegemony concept draws attention to why populism can not be conceived as a mean of periodisation.

As the starting point, it has to be stated that Laclau (1980a) criticises the class reductionism of Marxism, which meant that the content of every political and ideological discourse belonged to a class, and the class struggles constitute at the level of the relations of production. Laclau argues that such kind of a reductionism creates difficulties in the Marxist theory. It compelled to characterise a set of phenomenon taking place in both mature capitalist world and the periphery of the capitalist world.

[i]n mature capitalism such as , for instance, the development of new democratic antagonisms (urban struggles, struggles within institutions, liberation movements of racial minorities, national minorities, sexual minorities, struggles for women’s liberation, etc.), i.e. the appearance of a new set of democratic subjects in the historical arena, whose struggles could not be simply subsumed under the label of class struggle. On the other hand, on the periphery of the capitalist world, the development of the liberation movements also created a set of problems for the characterisation, in mere class terms, of the political organisations and the ideologies of those movements (Laclau, Macperson, Nun, Wayne, Albritton, Friedman, Raby, 1980a: 4).

Laclau (1977) argues that the works of Gramsci presented a major breaking point with the class reductionism in the Marxist theory. Therefore the concepts of “national-popular” and “hegemony” have arisen in the political discourse, which helped to go beyond class analysis. Laclau benefits from Gramscian concept of “hegemony” and “national-popular” in order to establish the grounds of his theory of populism. Therefore before starting to present Laclau’s theory of populism, I will try to make a short presentation of Gramscian concept of hegemony. However, as a full discussion of Gramsci’s notion of hegemony would take us too far afield from the particular concern of this thesis, I will only try to draw a framework for the concept.

In fact, the foundations of the concept of hegemony were laid by Lenin, and hegemony was conceived as the leadership of the proletariat over the peasantry. Moreover for Lenin hegemony was conceived in terms of an alliance of classes (Mouffe, 1979: 179; Simon, 1991: 22-23). However, Gramsci added new dimensions to this concept. Firstly, Gramsci extends hegemony to include the practices of a capitalist class or its representatives. Therefore hegemony is used no more as an instrument of the proletariat, but as the instrument of the whole ruling class. In addition, Gramsci brings about a new dimension to this conceptualisation by presenting national-popular concept. Accordingly, in Gramsci:

[a] class cannot achieve national leadership, and become hegemonic, if it confines itself only to class interests; it must take into account the popular and democratic demands and struggles of the people which do not have a purely class character, that is, which do not arise directly out of the relations of production (Simon, 199: 24-25).

Hegemony therefore necessitates the unification of a variety of different social forces into a broad alliance expressing a national – popular collective will, which goes beyond a simple class alliance. In this respect, Cornoy presents two principle meanings of hegemony (1984: 70). Firstly, it is a process in civil society between a fraction of the dominant class and the other allied fractions of the dominant class, in which the first one exercises control through its moral and intellectual leadership over the latter. Secondly, it is a relationship between dominant and dominated classes. In the first one;

The dominant fraction does not impose its own ideology upon the allied group; rather, it represents a pedagogic and politically transformative process whereby the dominant class (fraction) articulates a hegemonic principle that brings together common elements drawn from the world views and interests of allied groups (Cornoy, 1984: 70).

And, in the second one, the hegemony:

[i]nvolves the successful attempts of dominant class to use its political, moral and intellectual leadership to establish its view of the world as all-inclusive and universal, and to shape the interests and needs of subordinate groups (Cornoy, 1984: 70).

As it can be gathered, hegemony in Gramsci is:

[n]o longer a question of simple political alliance but of a complete fusion of economic, political, intellectual and moral objectives which will be brought about one fundamental group and groups allied to it through the intermediary of ideology when an ideology manages to spread throughout the whole of society determining not only united economic and political objectives but also intellectual and moral unity (Mouffe, 1979: 181).

The elaboration of the problematic around the concept of the “national popular” and the relationship established through hegemony, between a fundamental class and the people-nation is regarded as the most important part of Gramsci’s theory of politics (Mouffe, 1979: 9). In this respect, Laclau benefits from this important relationship and focuses on the need for an analysis that goes beyond class analysis.

Within this framework Laclau asserts that, “classes exist at the ideological and political level in a process of articulation and not of reduction” (Laclau, 1977: 161). His emphasis on the process of articulation and the analysis of the concept can be best understood from his work with Mouffe (Laclau & Mouffe, 1985). In their particular study Laclau and Mouffe pay a special attention to the category of articulation, which is supposed to dominate the concept of hegemony. Taking articulation as a practice, not a given relational complex, they try to identify the elements on which articulatory practices operate. Rejecting the idea that the society is a rationally unified totality, they emphasize the articulation principle as the mechanism that establishes a relation between elements of the society so that their identity is modified. To the structured totality resulting from the articulatory practice, they call *discourse*. The discursive formation is also important to the extent that the practice of articulation can find its material base through “institutions, rituals and practices” on which discursive formation is structured. In this respect:

Hegemony supposes the incomplete and open character of the social, that it can take place only in a field dominated by articulatory practices... The hegemonic subject, as the subject of any articulatory practice, must be partially exterior to

what it articulates- otherwise there would be any articulation at all. ...both the hegemonic force and the ensemble of hegemonised elements would constitute themselves on the on the same plane-the general field of discursivity-while the exteriority would be that corresponding to different discursive formations (Laclau & Mouffe, 1985: 135).

The process of articulation is important to speak of hegemony, however “non-class contents-interpellations and contradictions” are also necessary for the process of articulation. Upon these interpellations and contradictions that class ideological practices operate. Laclau makes an important conclusion when he presents the concepts of non-class interpellations and contradictions. He argues that in some cases the individuals participate in the non-class interpellations and contradictions, and they are subjected to the articulating principle of a class different than the one that the individual belongs. Accordingly, Laclau asserts that, “social agent has a dual ideological identity as a class and as a bearer of a popular-democratic antagonism” (1980a: 9). In this respect, Laclau eliminates the class reductionism in Marxist theory, by emphasising the articulation principle of ideological discourses on interpellations and contradictions, moreover, by also attributing the social agents a dual ideological identity.

It is firstly this articulation principle of ideological discourse of classes that helps exertion of hegemony of the dominant classes. The dominant classes articulate non-class contradictions and interpellations into its class discourse, and exert their hegemony. They also exert hegemony by absorbing contents forming part of the ideological and political discourses of the dominated classes (Laclau, 1977: 162).

Laclau argues that contrary to the approaches that conceive the notion of hegemony as the leading role of one class vis-à-vis the other, for Gramsci “hegemony has to be understood as the ability of a class creating a hegemonic discourse in which the non-classist elements appear associated to its own project” (1980b: 110).

In the light of this kind of an explanation, Laclau (1977, 1980a) argues that Hitler, Peron and Mao and the movements they led were called populist not because of their same class bases, but because the ideological discourses of all of them included popular interpellations in the form of antagonisms. Presentation of popular democratic interpellations as an antagonistic complex with respect to the ideology of the dominant bloc helps us to understand why many diverse movements or ideologies were called populist.

To develop his argument, Laclau presents different than class-antagonisms people/power bloc antagonism, which constitutes an ideology of its own. In this respect, it is important to understand what Laclau meant by “people”. He argues that populism is used analogically for it is used in a wide diversity, but the common reference is made to the “people”. However, according to Laclau a populist discourse can appeal both to the classes and the people. For him, “the people are not merely a rhetorical concept but an objective determination, one of the two poles of the dominant contradiction at the level of a concrete social formation” (Laclau, 1977: 165-166). Accordingly, Laclau defines people/power bloc contradiction:

[a]s an antagonism depending on the complex of political and ideological relations of domination constituting a determinate social formation....The dominant contradiction at the level of concrete social formation constitutes the specific domain of the popular democratic struggles (1977: 166).

Whenever the popular democratic elements are presented as an antagonistic option against the dominant bloc's ideology, populism starts. In other words, for the realisation of populist experience, the attempt of a class or a class fraction for transforming the power bloc to assert its hegemony is sufficient. Laclau argues that;

[t]he emergence of populism is historically linked to a crisis of the dominant ideological discourse which is in turn part of a more general social crisis. This crisis can be a result of a fracture in the power bloc, in which a class or class fraction needs, in order to assert its hegemony, to appeal 'the people' against established ideology as a whole; or a crisis in the ability of the system to neutralise the dominated sectors-that is to say, a crisis of transforms (1977: 162).

Laclau's analysis on Latin America, particularly on Argentina, helps us to understand Peronismo and populist articulation of democratic interpellations from the perspective presented above. He evaluates Peronismo as an attempt to establish hegemony through mass mobilisation due to a serious crisis of power bloc. In order to understand the crisis of power bloc and the articulating principle of its ideology, Laclau firstly asserts that the hegemonic class in the power bloc was the land-owning oligarchy and it was liberalism used as the articulating principle of its ideological discourse. In Argentina both the economic and political power were in the hands of oligarchic land-owners until 1930s. On the one hand, the nation-states were constituted for incorporation of economy into the world market, and on the other hand it was the interests of landed oligarchy which predominated in the State. The oligarchic hegemony was secured by "absorption of popular interpellations into

its discourse, and by articulating the ideologies which were formally in opposition to it in a peculiar form which neutralised them” (Laclau, 1977: 181). From this point of view, Laclau argued that the power bloc was so cohesive that, no other sector could dispute the oligarchic hegemony. Moreover, “the redistributive capacity of the oligarchy enabled it to include nascent middle class and working classes within its expansive cycle and co-opt their respective leadership into the power-bloc” (Laclau, 1977: 181).

However, in the 1930s, especially after the world crisis, the hegemony of oligarchy began to decline. There are some important developments, which led to the crises in power bloc. First of all, as it was stated after the world crisis of 1929, due to decline in the demand of the world market for traditionally exported goods, Import Substitution Industrialisation model was adopted. As far as the primacy was on the development of the domestic industry, the importance of land-owning elite relatively declined. For the dynamics of ISI were presented in the second chapter, I will not repeat them here again. Yet, it has to be concluded that ISI created new antagonisms between the land-owning oligarchy and the newly emerging industrial sector, which resulted in a deep crisis in the power bloc. Additionally, Laclau argues that, the power bloc also experienced a “crisis of transformism”. It was stated that the redistributive capacity of the oligarchy enabled it to include middle classes into the power bloc. However, due the economic recession, oligarchy could no longer maintain generous distributive policies. As the resistance increased towards keeping on these policies, the radical governments ban the middle classes from access to political power. The democratic demands of the masses and the ideological symbols were less and less absorbed. In addition to these developments,

it has to be also stressed that the working-class ideologies were also transforming. By the accelerating industrialisation process, migrations from rural to cities had started. And Laclau argues that the ideology of newcomers into the cities was based on a particular type of discourse in which democratic interpellations were central. Within this framework, Laclau asserts that;

[p]opulism in Argentina was to consist precisely in a reunification of the ensemble of interpellations that expressed opposition to the oligarchic power-bloc – democracy, industrialism, nationalism, anti-imperialism; their condensation into a new historical subject; and a development of their potential antagonism towards a confrontation with the principle of oligarchic discourse itself-liberalism (1977: 189).

In this respect, Peronismo succeed articulating anti-liberal popular interpellations in Peronist ideology, which was one of the most important populist elements. Secondly, Laclau argues that due to “lack of the peasantry, overwhelming predominance of the urban population, substantial development of the middle classes and development of trade-unionism”, Peronism achieved to establish a “unified popular-democratic language” at the national level. And finally working class was an important part of Peronism that helped Peronism to continue as a political force and to extend its influence into the middle classes. As an important conclusion, Laclau argues that Peronism permitted the development of the antagonisms of popular interpellations within the limits it drew. However once it is proscribed, the limits could no more be imposed. In 1955, liberalism was restored in Argentina, however the democratic demands of the masses could not be handled. Therefore, the repression increased and the antagonism of popular interpellations developed to full. Even when Peronism came back to stage in 1973, it could not

reverse the radicalised anti-liberalism, which increasingly fused with “national socialism”. “The regime of Isabel Peron collapsed into repressive chaos without having achieved any stable form of articulation between popular interpellations and bourgeoisie ideology” (Laclau, 1977: 191).

This short presentation of Laclau’s theory of populism, based on the articulation of the popular interpellations by dominant ideological discourse, which necessarily arise due to a crisis in the power bloc, and a segment of it struggle for exerting its hegemony against dominant class of the bloc, and the analysis of Peronismo may give clues for an alternative debate on the developments that Turkey experienced in the post war-period.

As far as Turkish case is considered, it has to be stated that the populist experience was identified commonly with the 1960s and the 1970s. However, there are a limited number of studies that analyse this period with a specific emphasis to Gramscian concepts. In this respect Yalman (1988a, 1988b) and Erdoğan (1992, 1998) can be presented as scholars who gave primacy to Gramscian concepts in their populism analysis. While Erdoğan benefits Laclau’s theory of populism and analyses Ecevit’s political discourse as a specific form of populism and a hegemonic project, Yalman makes a more general analysis of the 1930s until the 1980s by benefiting Gramscian concepts for the study of populism. Moreover, Türel (1993), despite avoiding a specific emphasis to populism theory, analyses the 1960s, the 1970s and the 1980s in terms of Gramscian concept of “hegemony”. In order to understand the possibility of such kind of explanations in Turkish case, the developments in Turkish political and economic life should be reconsidered.

To understand if a similar analysis of populism made by Laclau is applicable in the Turkish context, it is necessary to start from the 1930s, which was labelled as Etatist period. It was stated previously that in the Etatist period, the main objective was towards the establishment of a national economy. However as Yalman (2002a, 2002b) states there are different perspectives in analysing this period. For example the advocates of the state tradition, Etatism was viewed “as the culmination of a search for structures to support political centre” (Birtek, 1985: 409). (By political centre, Birtek referred to the state bureaucracy). Therefore, Etatism was conceived as a strategy for protecting the status and power of the state bureaucracy. On the other hand from the liberal-individualist perspective Etatist period was viewed as an attempt of state to sustain its domination over the society and individual by using economic development strategy as a mean to this objective (Yalman, 2002a: 27). However, alongside these debates it has to be taken into account that the bureaucratic elite did took into account the particular demands of the bourgeoisie (Boratav, 1988a, 1991; Keyder, 2000; Barkey, 1990). There was a dialectical relationship between the political elite and the dominant class in the economy. Therefore it would be a mistake to argue that the governing class was simply the bureaucratic elite. They were the prevailing class in the political, economic and social spheres, however the dominant-capital owners of the economic sector were also an important part of the society in the Etatist period.

It has been asserted that this era was a problematic of populism debates as well. However, despite conflicting ideas, the leading scholars such as Keyder (1987, 2000) and Boratav (1983, 1984a, 1988) do not label this period as populist. As it was stated a strong correlation between the easy phase of ISI and populist form of

politics was established in populism debates particularly concerning the ones in Latin America. It was also stated that this relationship was broken in terms of Turkish case. ISI was a particularistic of Etatist policies. However for Boratav, there were any efforts in this period for distributive politics, which he saw as the prevailing factor of populist politics. The decline in the real-wages supports his idea. Keyder on the other hand, does not label this period as populist because there were any efforts in mobilising the masses. According to Keyder, there was not any threat to the historical bloc. The elimination of the comprador bourgeoisie, lack of a land-owning oligarchy, and favourable foreign capital are presented as the main factors that led unwillingness of the political authority to mobilise masses. In this respect, Keyder argues that Turkey lacked the social base in contrast to Latin America which, invoked populism (Keyder, 2000: 152).

Yalman's attempt, benefiting from the Gramscian problematic, is important in this sense in order to bring an alternative explanation to this period. He argues that:

[s]tate-led economic development strategy was intended by the 'state elites' concerned to function as a hegemonic project in constructing a 'historic bloc', as the members of the embryonic entrepreneurial class were urged to transcend their economic-corporate interests (2002a: 30).

In this respect, Yalman argues that Etatist strategy focused on establishment of an "organic society" as the hegemonic project. Such kind of an approach using the Gramscian concepts paves the ground for an alternative analysis of the multiparty system and DP authority as well.

It is commonly argued that the election of 1950 was a breakpoint in Turkish political life. The transition from single party rule to multi-party rule by victory of DP government in 1950 elections was evaluated as a burst from authoritarian single-party regime towards a more democratic regime. Such kind of evaluations were presented in the second chapter on Turkish populist experience. Yalman on the other hand argues that despite the change in the regime, it was a continuity of the authoritarian form of the state. Moreover, there was any change in the “balances of forces either within the Turkish power bloc or between the latter and the masses” (Yalman, 2002a: 33). According to Yalman:

[t]he fundamental continuity between the étatiste and anti-statist hegemonic projects is terms of depriving the dominated classes from establishing their own economic and political organisations as well as of the central role assigned to the state in effecting the objectives of these projects. In that sense, the transition to multi-party system was but another attempt to refine the technique of ‘passive revolution’ by promoting change without entailing any in the balance of class forces (2002; 34).

The assessment of Etatist and DP period as “passive revolution”, which is used by Gramsci to indicate the most usual form of hegemony of the bourgeoisie that involves a mode of articulation whose aim is to neutralise the other social forces in the constant reorganisation of State power and its relationship to the dominated classes to preserve dominant-class hegemony (Mouffe, 1979: 11; Cornoy, 1984:76), seems crucial in understanding these periods both in terms of populism debates and Laclau’s theory of populism. In this sense it can be argued that neither the Etatist nor DP period can be evaluated from the populist perspective that focused on the concepts of distributive politics, or accumulation strategies or “going to people”. On the other hand, a specific emphasis on hegemonic strategies

is required. It is hard to argue that the theory of populism from the perspective of Laclau has occurred in Turkish context until the 1960s. Because in Latin American context, particularly in Argentina, mobilisation of the masses through articulating democratic-popular interpellations was the most important characteristic of the hegemonic rule. Yet in Turkish context, the Etatist period and DP politics, which are labelled as populist by some scholars, does not include the mobilisation of the masses on the other hand the attempts for the modification in the country's economic and social structure are made from above through State apparatuses without relying on the active participation of the masses. As Cornoy explains,

The acceptance of certain demands from below, while at the same time encouraging the working class to restrict its struggle to the economic-corporative terrain, is part of this attempt to prevent the hegemony of the dominant class from being challenged while changes in the world of production are accommodated within the current social formation (1984: 77).

So, hegemony was provided by excluding the base. The power bloc did not represent any active consent of the people. The hegemony was reorganised by “passive and indirect consent” which Buci-Glucksman used to denote “indirect (without popular initiative, without democracy at the base), statist domination, repressive/bureaucratic, bourgeoisie domination and statist” (Buci-Glucksman, 1982: 122) characteristics upon which passive revolution is based.

The military intervention of 1960 may be evaluated as a new step in Turkish political life. As Yalman asserts, “it was the first military coup of the post-war period in May 1960 which was instrumental in paving the ground for a restructuring of the new relations between the state and the civil society” (Yalman, 2002a: 34).

Until then, the hegemonised segments of the society had no opportunity to represent their interests on the legal terrain. It was just after the military intervention that to form association without having to obtain prior permission was recognised and the workers were permitted for collective bargaining and striking to improve their economic, political and social conditions. Therefore, in the period after 1960 we see that a powerful and organised labour arose. In this sense, it was the first time in Turkish history that the hegemonic power had to take into account the popular-democratic interpellations of the people. However, it has to be asserted that democratic rights assigned to dominated groups could no longer provided the ground for “passive revolution”. Moreover, Yalman argues that this period did not pave the way for the establishment of bourgeoisie hegemony. For Tünay incapability of the bourgeoisie in the 1960s in “asserting competitive individualism instead of traditional collectivism and the corresponding social behaviour” was one reason for the failure of asserting its hegemony (1993: 18). Moreover “the ideological feebleness of the bourgeoisie, which could not find relevant ideological elements to unite the interests of subordinate groups around a national-popular program, let alone the factions of the capital” was another failure to sustain hegemony (Tünay, 1993: 18). Accordingly in this period until the next military intervention there occurred increasing class conflicts.

In terms of debates that label the period from the 1960s until the late 1970s as populist, the limits for an alternative explanation from the perspective of Laclau should be questioned. Can so-called populist form of politics in this period be analysed in terms of a new hegemonic project? As Laclau asserted, for the realisation of the populist experience, the attempt of a class or a class fraction for

transforming the power bloc to assert its hegemony is sufficient. In Turkish case, we have seen that due lack of organisational power of labour and the civil society, there was no serious threat to the power bloc. However, the economic distortions that started since 1954, therefore the growing unrest of the society and the following military intervention of 1960 necessitated the reestablishment of hegemony of the power bloc. It has been stated that the bourgeoisie hegemony was provided previously by the passive revolution in which the State was the main actor. However, as it is in Latin American context there was not particular hegemonic class such as land owning oligarchy in the power bloc. On the other hand it was the interests of different segments of the bourgeoisie class, industrial bourgeoisie, trade bourgeoisie, financial bourgeoisie (Boratav, 1991; 63-64), predominated the State. In this sense, it can be argued that until 1960s, the interests of the bourgeoisie was secured without any serious opposition. However, by the 1961 constitution, the empowerment of the labour class and the emergence of a nascent middle class showed itself as presenting their economic and corporative demands, which had to be taken into account. From this perspective it can be argued that the governing elite articulated the democratic-popular interpellations by help of the substantial economic growth and populist distributive politics in this period. However, it has to be stressed that again different that Latin American experience, despite the need for the articulation of interests, there was no attempt for mobilising the masses.

In this respect it would be a mistake to argue that populist form of politics in 1960s and early 1970s was adopted due to a serious crisis in the power bloc. This was partly due the lack of hegemonic bourgeoisie class in the power bloc, and partly due the lack of serious opposition to the existing hegemony. However, it can

be argued that the rise of organised labour and emerging middle classes in the political arena after 1960, forced the power bloc to articulate their interests in order to attain its hegemony. Hence, Laclau's analysis is not completely valid for Turkish form of politics when its historical class structure is taken into account. However, it may be argued that still adopting the concepts such as hegemony and the articulation of popular-democratic interpellations may give clues for a better understanding of the period that is called populist rather than analysing the period within the limits of distributive politics, ISI strategy, etc.

It was commonly argued that populist form of politics ended by the second half of the 1970s. The economic conditions that led to failure of populist form of politics were explained previously. In the political scene, on the other hand there was a growing class conflict between the bourgeoisie and the labour class. The bourgeoisie increasingly showed its opposition to the empowering labour class, which it conceived as a threat to itself. The government was also blamed in being insufficient to prevent the raising labour movement. Moreover, the bourgeoisie class showed its discontentment to the policies of Ecevit government, which had conflicts with IMF and US. In fact there was a crisis of hegemony. Although Türel argues that the hegemonic crises can be traced back to 1970s, and even to 1960s, he asserts that late 1970s was the peak of hegemonic crisis (1993: 19).

In order to install a new hegemony, the bourgeoisie;

[w]ould seek new ways in which a restructuring of the political order could be carried out so as to guarantee the 'liberty of free enterprise'. In the wake of the March 1971 military intervention, policy makers as well as the representatives of

the bourgeoisie sought in vain to formulate a new strategy to reconstruct the historical bloc with the means that hitherto employed in the midst of worsening economic condition (2002a: 37).

Within this framework, the path to 1980 military coup was opened. The coup was supported by the bourgeoisie in order to restructure the historic bloc, in sum:

[i]t was the political anxieties of the Turkish bourgeoisie and certain sections of Turkish state apparatus, the military in particular, in terms of their inability to contain the increasingly militant sections of the working class and the student movement within the democratic form of the state, which were decisive in the formulation of the new political strategy: putting an end to class-based politics (Yalman, 2002a; 41).

Yalman argues that the change in the form and regime of the Turkish state and the following Özal leadership signal another “passive revolution” in Gramscian sense. As the limits of this particular thesis is defined by 1980 period, it would exceed the limits to analyse 1980 coup d’etat and Özal’s policies in detail. However, in terms of populism debates, as Özal was also labelled as populist, it can be concluded that his attempts were again can be analysed with respect to another hegemonic project by passive revolution where stabilisation policies were used as the instrument, which again excluded the masses.

In sum, the attempts in Turkish political life on populist experience of Turkey present some inadequacies. Analysis of populism within the limits of particular accumulation strategies or distributive policies excludes an important phenomenon, which is the hegemonic struggles and strategies that go beyond the simple economic interests. The periodisation of economic, political and social

formation of a country through accumulation strategies, which is seen as an important characteristic of populist form of politics, misses some important points when hegemonic projects are considered. Taking populist form of politics and some particular accumulation strategies as the instruments of a hegemonic project shows that hegemonic projects and some particular accumulation strategies are not identical. While the hegemonic project of Etatism, which is also labelled as populist may use ISI as the particular accumulation strategy, DP policies which is also called populist may assert open economy, or as it was presented the governments in the post-60 intervention period may again adopt ISI, or in Özal's populist form of politics free market is supported. Therefore, it would be more meaningful to argue that particular accumulation strategies are adopted due to the conditions of the national and international conjuncture of the capital. However, hegemonic strategies include more than economic policies. Therefore, rather than taking populism as a mean of periodisation, it would be better to focus on hegemonic projects to understand populist form of politics and the developments in post-war Latin America and Turkey.

CHAPTER 5

CONCLUSION

It was stated in the first chapter that the main concerns of this study were expressed in such questions: What kind of a relationship has been established between “crises”, “ISI” and “populism”? Is there a relation between populism, a particular industrialisation strategy and political regime? Does this relationship enhance our understanding of developments in some particular Latin American countries and Turkey in the post-war period? How this relationship between populism and ISI has been analysed in the Latin American context and what are the differences in the Turkish case in terms of academic debates? To what extent these debates bring an explanation to the crises? What are relations between state, economy and society in the populist form of politics? Can Laclau’s analysis of populism, crisis of power bloc and articulation of popular interpellations by the dominant ideological discourse to assert its hegemony on the power bloc, bring an alternative explanation to understand the crises in terms of populist form of politics? Can the so-called populist form of politics be analysed with reference to Gramscian concept of hegemony?

So, the answers to these questions are important to conclude this particular study. In the second chapter it was stressed that the balance of payments crisis was the prevailing problem in the economies of developing countries in the post-war period. In this respect, import substitution industrialisation was an appropriate strategy to adopt with the emphasis on the establishment of domestic market and therefore reducing the dependency on foreign exchange for industrial self-sufficiency. As illustrated, the structuralist approach, which paid a particular attention to the structural economic conditions, had a considerable effect on the debates on the ISI. From this perspective, it was argued that the underlying dynamic in adopting ISI policies was the economies of the developed Western countries, which determined the form of accumulation model for integrating the world market. Therefore, IS strategies were not simply conceived as nationally adopted mechanisms for industrialisation, however the emphasis was on centre-periphery relationship in which the former defined and initiated this particular accumulation model.

Whatever the initiative was, with the adoption of the ISI strategy, the objective for the establishment of a domestic industry was secured. In this sequential strategy the primary concern was firstly producing consumer goods, then intermediate and capital goods domestically. State actively participated in this process by undertaking investments in key industries, by facilitating industrial growth and initiating quotas and tariffs so as to protect the domestic market. However, the growing industry began presenting problems after a while which showed itself by an inability to absorb the surplus labour, to control the budget deficits, and soaring inflation, growing government expenditures, etc.

Consequently, the technological inadequacy and the exploitation of the agricultural sector were criticised as well as the mechanisms used to initiate IS policies such as protection, exchange rate control, tariffs, quotas. However the basic criticism was in terms of the so-called “exhaustion” of IS model, which meant that failure to achieve the desired objectives was due to the inability of passing to further stages of ISI, that is the production of intermediate and capital goods. Therefore, after the completion of the easy-stage of ISI, it was argued that other phases should be completed as well for the model to be successful. In this respect it can be asserted that the crises that were experienced particularly in Latin American countries, which resulted in military interventions, were related with the exhaustion of ISI. In this respect, a particular cause and effect relationship between crises and ISI has been established. Moreover, one of the prevailing debates that attempted to account for the change of regimes by military interventions in Latin America can be understood from this perspective as well. Thus, the answer to one of the questions of this particular study may be given: from the structuralist approach there was a strong relationship between the exhaustion of ISI that resulted in crises and the regime changes. What is the place of populism in this debate then?

The structuralist approach had also a prevailing position in populism debates in Latin America in 1960s. As Weyland (2001) puts it “cumulative concepts” were used in defining populism with economic-structuralist tendencies, which established a link between populist politics and its social roots and the expansionary economic policies for appealing to the heterogeneous society. In this respect, the debates inspired from the structuralist approach focused especially on the relationship between ISI and populist politics. In other words the primary concern for the

structuralist approach was the economic dimension of populist politics. It was argued that populism was a political mechanism that handled the establishment of the domestic market and accelerated industrialisation by infrastructure. State intervention into economic affairs, distributive policies for unifying conflicting interests of heterogeneous social base by means of increasing real wages and living conditions of wage-earners, protectionary measures for the industrial sector, incentives for different segments of the domestic market, state expenditures, etc. became the primary factors for analysing the nature of the populist politics. Political developments, such as the alliance of labour, middle class and industrialists against the traditional land-owning oligarchy were included in the structuralist analyses as well. However, in the framework of structuralist approach, the most important argument was the close relationship between easy-phase of ISI and populism. In relation to the debates on ISI, it was argued that the exhaustion of ISI by populist politics resulted in the breakdown of populist regimes. In this respect it is necessary to remember the Bureaucratic Authoritarian (BA) conceptualisation, which is based on the structuralist approach argued for the emergence of BA regimes after the exhaustion of IS, which denoted a regime change. To sum up, from the perspective of structuralist approach easy phase of IS and populism was closely related. Moreover, the exhaustion of ISI resulted in the replacement of populist regime with that of the BA ones.

In this respect it is clear that in the structuralist approach to populism there has been established a strong relationship between the easy phase of ISI, populism, crises and regime changes. Then, the following question should be that: can conceiving populism as a phase of historical development or as a transitional period

may enhance our understanding of developments in the post-war era in Latin America and Turkey? In answering this question, we have presented the debates in Turkish context.

In the third chapter, it was presented that there were varying ideas on populism and ISI that are used to analyse the post-war developments in Turkey. Yet, in this particular study I have especially emphasised the arguments by Keyder and Boratav, which paved the ground for the theoretical debates on populism and IS. As far as the thoughts of these scholars are taken into account it can be presented that there are differences in way of arguments when compared with the debates in the Latin American context although “cumulative concepts” were used for defining populism in the Turkish context as well. The political and economic dimensions were included in varying emphasis in those debates. In terms of the easy phase of ISI and populism relationship, it can be argued that the necessary link proposed by the structuralist approach was broken in Turkish context. In regards to the Etatist experience of the 1930s, by refusing to characterise this period as populist, these studies break the connection between the first phase of ISI and populism. Instead, such a connection would be established for the politics of 1950s to 1970s. So, when the relationship between the easy-phase of ISI and populism is broken in the Turkish context, then it is necessary to question if a relationship between populism and political regime is established. In the populism debates we see that the scholars, especially Boratav and Keyder, do not denote populism as form of state or a type of regime. They assert that parliamentary regime is the prerequisite for the populist form of politics, however the kind of debates on the form of state and type of regime in the Latin American context do not exist in the

Turkish debates. However, with reference to Boratav's analysis concluding that populism ended before the change of political regime, it may be argued that populism was regarded as a form of politics. Moreover in terms of Bureaucratic Authoritarianism, which was presented in order to explain the problems of ISI and populism that resulted in BA regimes in Latin America, in Turkey we see that in the debates on populism and ISI for explaining the developments in the post-war era, there is no reference to the notion of BA regime. The attempt to explain the inadequacies or the problems of populist form of politics and IS type of industrialisation concentrated on the world conjuncture rather than evaluating their failure as the major reasons for regime changes.

By summarising how the relationship between populism and ISI has been debated in Turkish context, we can reach some important conclusions. First of all, it is interesting that in order to analyse a particular period of Latin America and Turkey (where similar crises, stemmed from political and economic imbalances experienced), populism and ISI were used as key categories. However, there are major differences in terms of the basic arguments of the prevailing debates. This partly stems from the lack of consensus about the ways in which populism would be attempted to be defined as a theoretical concept. However, now it should be asserted that conceiving populism as a means of periodisation does not enhance our understanding of the developments in the post-war period of some particular Latin American countries and Turkey. Nor it contributes to a better conceptualisation of populism as a theoretical category.

Secondly, the criticisms for the BA regimes that denote a regime change in the Latin American context was presented in the second chapter with reference to the studies by Serra and Mouzelis. Therefore, it would be stressed that the military interventions do not necessarily take place due a crisis of ISI and populism. With respect to debates in the Turkish context, it can be again asserted that the end of populist politics and the military interventions do not overlap. In fact, when the developments in after 1980s are taken into account, the relevance of such kind of an approach diminishes further. That is to say, identification of populism with a particular model fails when so-called neo-populist form of politics is taken into account. In the 1980s and the 1990s, the populist politics also prevailed in some particular countries. However, in contrast to the definition of classical populism based on the structuralist approach, arguing for the existence of ISI for populism to work, in the so-called neo-populist form of politics free market economy could be adopted as the economic policy as well. In this respect, the attempt for establishing a link between ISI, populism, regimes and crises loses its grounds for a satisfactory explanation. The inadequacy of such kind of a conceptualisation is better understood when the concept of “hegemony” is included into the analysis of populism.

Before reviewing the fourth chapter where analysis of populism by benefiting Gramscian concepts was presented, we would like to present the changing attempts on the concept of populism, which were asserted in the second chapter. As it was illustrated, there are conflicts within the populism theory itself. Defining populism as a syndrome - not a doctrine, as urban movements, as an ideology, as a transition period or as a superstructure of a particular type of

accumulation model may be presented why populism has led to such controversial debates among scholars. These diverse theoretical conceptualisations of populism pave way for conflicts among scholars especially in the Latin American context.

In the 1970s and in the 1980s, as it was presented in the second chapter, the structuralist attempt for defining populism has started to face criticisms. By preserving the main premises of classical populism, which are the charismatic leadership, urban class movements, etc., the emphasis has shifted to either economic or political populism. As far as the advocates of economic populism are considered, populist politics emerged which implied a particular type of macroeconomic policies including expansionary redistribution and inward-oriented growth so as to deal with the problem of widening income inequalities. However, as criticised by Weyland, the economic definition of populism was confusing rather than illuminating. First of all, he asserts that it is confusing because classical populist Peron, neopopulist Garcia, conservative Sarney and Marxist Allende were evaluated under the same label. Moreover, he questions the economic definition of populism because he argues that, expansionary economic policies that are labelled as bad macro-economic policies can be an outcome of some governmental, parliamentary or administrative policies, and not an outcome of deliberate choice of populist leaders (2001: 11).

By the 1980s and the 1990s, the political populism was another attempt in conceptualising populism with a particular emphasis on politics. As it was presented with respect to Mouzelis (1986), the emphasis has shifted to the organisational structure of populist politics and the political space. Therefore, from the political

perspective in defining populism, distributive politics has no more a prevailing position. It is only an instrument. Weyland stresses the need for adopting the political populism for analysing the contemporary Latin America politics. He argues that when in classical populism mobilisation of the masses and the need for establishing a general will is required, in the populism of 1980s and 1990s, the mass base is comprised of “a dispersed set of private individuals”.

It has to be asserted that the political populism when compared with the definitions based on structuralist approach and economic populism is more satisfactory in terms of understanding populism concept especially when the so-called neo-populist politics are taken into account. However, in this study it is argued that Laclau’s theory of populism and attempts for analysing state, society and economy relationship within the theoretical framework of hegemony concept is more promising.

In this respect, in the fourth chapter it is argued that Laclau’s analysis on populism paves the grounds for a satisfactory explanation for the post-war developments in Latin America. As it was stated, in order to establish the grounds of his theory of populism, Laclau benefits from the Gramscian concept of “hegemony”, and supplements them with the additional concepts of “articulation”, “interpellation”, “power bloc”, ‘national-popular’, etc. Laclau argues that Gramsci denotes a major breaking point with the class reductionism in the Marxist theory. According to Laclau the people are not simply the subjects of a class, but at the same time they participate in the non-class interpellations and contradictions, which means, they are subjected to the articulating principle of a class different than the

one that the individual belongs. In this sense people, the social agent is assumed to have a dual ideological identity as a member of a class and as a bearer of a popular-democratic antagonism. Accordingly the process of articulation of these non-class popular-democratic antagonisms has an important place for asserting hegemony. The dominant class articulates non-class contradictions and interpellations into its class discourse, and thus attempt to exert its hegemony. Laclau asserts that whenever the popular democratic elements are presented as an antagonistic option against the dominant bloc's ideology, populism becomes a phenomenon. In other words, when the dominant ideological discourse falls into a crisis, populism emerges as the attempt of a class or a class fraction for transforming the power bloc to reassert its hegemony.

Laclau's analysis on Latin America, particularly on Argentina, has been developed from this perspective, which was explained in details in the fourth chapter. He evaluates Peronismo as an attempt to establish hegemony through mass mobilisation due to a serious crisis of power bloc. When the economic difficulties emerged, the oligarchy who used distributive mechanisms to maintain its hegemony, became incapable of articulating interests. The democratic demands of the masses and the ideological symbols were less and less absorbed. In addition to these developments, it has to be also stressed that the working-class ideologies were also transforming. By the accelerating industrialisation process, migrations from rural to cities had started. And Laclau argues that the ideology of newcomers into the cities was based on a particular type of discourse in which democratic interpellations were central. Within this framework, Laclau asserts that; populism reunified the democratic-popular interpellations opposed against the oligarchy.

As far as the Turkish case is considered, it was stated that the debates on populist experience of Turkey hardly included an analysis within the theoretical framework of “hegemony” concept. On the other hand the debates presented an eclectic character to the extent that they included some hypothesis of different approaches and excluded the others. Therefore a general overview of the attempt to explain some particular periods of Turkey show that there was not even a convergence of opinion to characterise which period of the Republican era as populist. Would Etatist period, or DP policies or the period after post-1960 military intervention, or Turgut Özal’s politics be labelled as populist? In this sense adopting hegemony concept into the focus of analysis helps to understand why all these periods despite different social bases, or different accumulation models, or different form of state and form of regimes, led scholars to label these periods as populist.

It has to be asserted that it would be a mistake to argue Laclau’s theory of populism and his analysis on Argentina accurately overlaps with Turkish experience. The main reason beyond this argument should be explored within the composition of historic bloc and the hegemonised segments of the society since the establishment of Turkish republic. It can be asserted that the historic bloc was comprised of the bourgeoisie and the governing elite. Although the bureaucratic elite was prevailing in the Etatist period, it has to be taken into account that the different segments of the bourgeoisie and their particular interests were realised both in the Etatist period, DP period and after. On the other hand, the hegemonised segments until the military intervention of 1960 was weak and disorganised. Hence especially the labour class could not rise as a threat to the hegemony of power bloc until then. In this respect, to the extent that the Etatist period, DP policies, post-

1960 period is taken as hegemonic projects, it can be asserted that there was not a serious threat to the power bloc. Therefore, in contrast to the Latin American experience, there was not a need for mobilisation of the masses. On the other hand, in all these hegemonic projects, the hegemony was provided by passive revolution, through which the popular-democratic interpellations of the masses are neutralised by the active role assigned to the State. Therefore neither in the Etatist, nor in DP period, which are labelled populist as well, there was no change in balance of class forces. The exclusion of the base was still predominant. In this sense, it can be argued that, the hegemony was asserted by passive revolution and not that of mass mobilisation as it was in Latin America.

However, by the 1961 constitution, the empowerment of the working class and the emergence of a nascent middle class showed itself as presenting their economic and corporative demands, which had to be taken into account. This development denoted a change in the relationship between the state and civil society as well. The exclusion of the hegemonised segments had to be reconsidered then because the right to establish trade unions and collective bargaining empowered these segments. So, the power bloc could no longer ignore the demands of the people. From this perspective it can be argued that the governing elite articulated the democratic-popular interpellations by the help of the substantial economic growth and distributive politics in this period. Yet, the bourgeois hegemony could not be accomplished in this period. In fact this period until 1980 military intervention witnessed important class struggles. In Turkish history it was the first time that the bourgeoisie evaluated the working class as a threat to its hegemony and interests which resulted in a hegemonic crisis in the late 70s. Therefore, for the

restructuring of the power bloc, the 1980 military coup took place, which again signified an important shift in balance of class forces, which extends the limits of this particular study.

To sum up, it can be argued that the conflicting ideas especially in Turkey stem from the different approaches in conceiving populism. Therefore in order to get rid of the limited analysis of populism made with reference to ISI, distributive mechanisms, party politics or appeal to people, adopting the concept of hegemony into the scope of analysis is necessary since it helps to enhance our understanding of the post-war developments, and Etatism in particular, by capturing different forms of relationship between state, society and economy through hegemonic projects. Such kind of a conceptualisation is also helpful to understand how Etatism, or DP period, or 60s and early 70s, and Özal's politics in 1980s are labelled as populist when their social base, economic policies, ideological discourse are so different. Moreover, it helps to understand why the crises in the post-war period can not be taken as simply the crisis of ISI or populism, and why populism can not be conceived as a means of periodisation.

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