

**THE POLITICS OF LOCAL ECONOMIC GROWTH-
A CRITICAL APPROACH: THE CASE OF MANİSA**

**A THESIS SUBMITTED TO
THE GRADUATE SCHOOL OF SOCIAL SCIENCES
OF
MIDDLE EAST TECHNICAL UNIVERSITY**

BY

GÜLÇİN TUNÇ

**IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR
THE DEGREE OF DOCTOR OF PHILOSOPHY
IN
URBAN POLICY PLANNING AND LOCAL GOVERNMENTS**

SEPTEMBER 2010

Approval of the Graduate School of Social Sciences

Prof. Dr. Meliha ALTUNIŐIK
Director

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

Assoc. Prof. Dr. aęatay KESKİNOK
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 Doctor of Philosophy.

Assoc. Prof. Dr. H. Tarık ŐENGÜL
Supervisor

Examining Committee Members

Prof. Dr. Melih ERSOY (METU, CRP) _____

Assoc. Prof. Dr. H. Tarık ŐENGÜL (METU, PSPA) _____

Prof. Dr. Erol TAYMAZ (METU, ECON) _____

Assist. Prof. Dr. Mustafa BAYIRBAĖ (METU, PSPA) _____

Assoc. Prof. Dr. Tayfun INAR (AÜ, PSPA) _____

I hereby declare that all information in this document has been obtained and presented in accordance with academic rules and ethical conduct. I also declare that, as required by these rules and conduct, I have fully cited and referenced all material and results that are not original to this work.

Name, Last name : Gülçin Tunç

Signature :

ABSTRACT

THE POLITICS OF LOCAL ECONOMIC GROWTH- A CRITICAL APPROACH: THE CASE OF MANİSA

Tunç, Gülçin

Ph.D., Department of Urban Policy Planning and Local Governments

Supervisor: Assoc. Prof. Dr. H. Tarık Şengül

September 2010, 295 pages

The mainstream accounts on local growth politics, which generally conceptualize the current context around the globalization of investments and the prominent role of local entrepreneurialism, argue for the tendency towards local coalitions. In opposition, the main argument of the thesis is that an increasingly fragmented and conflictual local growth politics is the defining feature of the contemporary localities. Defining the current context around the increased involvement of the business actors in directing the path of local economic growth and of the local state institutions in entrepreneurial activities, it was shown in Manisa case that intra-local conflicts are likely to deepen under conditions of increased inter-urban competition.

By critically employing the concept of local dependence, it was shown that different local dependence factors result in the differentiation of the local actors' priorities and preferences with regard to the utilization of local resources. Thus, it is concluded that a common local interest is not possible and that conflicts and contentions (between different-fractions of capital and between local labor and capital) stemming from the existence of different local dependence factors mark the process of local growth politics. As a special dependence factor in terms of local politics, the generation of land-rent was identified to be a potential basis for local collaborations whereas it was also found out that such coalitions are likely to be

temporary and open to political contention. On the other hand, the supra-local relations of actors, which are essential for the persuasion of local interests, are observed to have a determinant effect on local conflicts.

Keywords: local economic development, local growth politics, local coalitions, local dependence, supra-local relations.

ÖZ

YEREL EKONOMİK BÜYÜME SİYASETİ- ELEŞTİREL BİR YAKLAŞIM: MANİSA ÖRNEĞİ

Tunç, Gülçin

Ph.D., Kentsel Politika Planlaması ve Yerel Yönetimler Anabilim Dalı

Tez Yöneticisi: Doç. Dr. H. Tarık Şengül

Eylül 2010, 295 sayfa

Yerel ekonomik büyüme siyaseti ile ilgili mevcut yazın, yerel aktörlerin günümüz koşullarında (yatırımların küreselleşmesi ve yerel girişimciliğe biçilen önemli rol) yerel koalisyonlar oluşturma eğilimi içinde olduğunu öne sürmektedir. Bu savın aksine, bu tez, yerel ekonomik büyüme siyasetinin tanımlayıcı özelliklerinin, yerel aktörler arasında giderek artan bir parçalanma ve derinleşen çelişkiler olduğunu iddia etmektedir. Bu tezde, mevcut bağlam, sermaye aktörlerinin giderek artan bir şekilde yerel ekonomilerin geleceğine yön veriyor olmaları ve yerel devlet kurumlarının girişimci faaliyetler içine girmeleri çerçevesinde tanımlanmıştır. Bu çerçevede, Manisa örnek alanının incelenmesi sonucunda yerel birimlerin içsel çelişkilerinin, yerel rekabetçilik ortamında daha da derinleştiği gösterilmiştir.

Bu tezde, yerele bağlılık kavramı eleştirel bir bakış açısıyla ele alınmış ve farklı yerele bağlılık faktörlerinin yerel aktörlerin, yerel kaynakların kullanımı ile ilgili, öncelik ve tercihlerinin birbirinden farklılaşmasına neden olduğu ortaya konmuştur. Buradan hareketle, yerel aktörlerce ortaklaşılacak yerel bir çıkarın oluşmasının mümkün olmadığı ve farklı bağlılık faktörlerinden kaynaklanan çelişki ve çatışmaların yerel ekonomik büyüme siyasetinin temel belirleyicileri olduğu sonucuna varılmıştır. Yerel siyasetin kapsamı açısından düşünüldüğünde ayrıcalıklı bir bağlılık faktörü olan toprak sahipliği ve arazi rantı bir yandan üzerinde yerel

koalisyonların geliřebileceđi potansiyel bir zemin olarak tespit edilmiřken, diđer yandan da bu tür koalisyonların geçici ve siyasi çekiřmelere açık koalisyonlar olduđu ortaya konmuřtur. Yerele bađlılık faktörlerinin yanında, yerel aktörlerin yerel- üstü düzeylerle kurdukları iliřkilerin (ki bu iliřkiler yerel çıkarların gerçekleştirilmesi açısından önemlidir) de yerel çeliřki ve çatıřmalarda belirleyici rolü olduđu gösterilmiřtir.

Anahtar Kelimeler: yerel ekonomik büyüme, yerel ekonomik büyüme siyaseti, yerel koalisyonlar, yerele bađlılık, yerel- üstü iliřkiler.

ACKNOWLEDGMENTS

I want to express my sincere appreciation to my supervisor Assoc. Prof. Dr. H. Tarık Şengül for his guidance, criticism, encouragement and insight throughout the research. I would like to express my deepest gratitude to Assist. Prof. Dr. Mustafa Kemal Bayırbağ for his great effort, contribution and support for the completion of this study.

The examining committee members Prof. Dr. Melih Ersoy, Prof. Dr. Erol Taymaz and Assoc. Prof. Dr. Tayfun Çınar are also acknowledged for their valuable suggestions and comments. I would like to thank to Prof. Chris Pickvance who contributed to some parts of this study during my staying as a visiting scholar at the University of Kent at Canterbury.

I would like to thank to my colleagues in UPL and my friends for their assistance, moral support and motivation which greatly helped me to complete this study.

I am fully indebted to my parents Ayşegül and Hayri Tunç and my brother Barış Tunç, who supported me in many aspects throughout this study and in my life.

TABLE OF CONTENTS

PLAGIARISM	iii
ABSTRACT	iv
ÖZ.....	vi
ACKNOWLEDGMENTS.....	viii
LIST OF TABLES	xii
LIST OF FIGURES.....	xiii
LIST OF ABBREVIATIONS	xiv
CHAPTER	
1. INTRODUCTION.....	1
1.1. The Aim and The Scope of the Thesis	1
1.2. The Methodology and the Research Methods Used in The Case Study	11
2. CONCEPTUAL FRAMEWORK	18
2.1. A Critical Evaluation of the Contemporary Tendencies for Theorizing Urban Areas	18
2.2. The Idea of ‘Local Coherence’: The Mainstream Tendency in the Conceptualization of Contemporary Local Growth Politics	27
2.2.1. An Evaluation of Community Power Studies As Background Approaches for The Liberal Conception of The Idea of Local Coherence	31
2.2.2. The Approach of ‘Urban Growth Coalition’: Local Coalition Building Around ‘Land Rent’	36
2.2.3. The Approach of ‘Urban Regimes’: The Negotiation of Conflicting Local Interests	42
2.2.4. The Concepts of ‘Local Dependence’ and ‘Spaces of Engagement’	51
2.2.5. The Concept of ‘Structured Coherence’	55
2.3. The Critical Evaluation of the Idea of Local Coherence.....	58
3. MAIN CONTOURS of LOCAL GROWTH POLITICS in TURKEY.....	62
3.1. Prominent Aspects of Turkish Local Politics In The Post-1980 Period	63
3.2. The Central and Local State In Local Economic Growth	68
3.3. The Role of Small- Entrepreneurs in Local Politics	75
3.3. Conclusion.....	83

4. MANISA’S LOCAL ECONOMY in HISTORICAL CONTEXT	86
4.1. Manisa in National and Regional Economy.....	87
4.2. The Conflictual Co-Existence of Industrial and Agricultural Sectors	93
4.3. The Dynamics of The Local Labor Market.....	98
4.3.1. Employment Structure and Working Conditions	100
4.3.2. Migration Trends and The Effects Immigrant Workers on the Local Labor Market.....	101
4.4. Local Economy In A Historical Context.....	104
4.4.1. The Period Before The Turkish Republic	104
4.4.2. A National Agricultural Center (1923-1970).....	106
4.4.3. The Co-Existence of The Agricultural and Industrial Sectors Begins (1971-1979).....	108
4.4.4. The Leap of The Industrial Sector (1980-1994).....	112
4.4.5. The Dominance of The Industrial Capital (1995- Present Day)	116
4.5. Conclusion.....	120
 5. THE FRAGMENTED LOCAL BUSINESS COMMUNITY THE DISPUTE AROUND MANİSA OSB’s ADMINISTRATION	 122
5.1. The Inner Fragmentation of The Local Industrial Community.....	127
5.1.1. Small-Producers & Artisans vs. Industrial Businessmen.....	127
5.1.2. Native vs. Outsider Industrial Capital	131
5.2. The Conflict Around The MOSB’s Administration.....	135
5.2.1. Divergence of The Local Growth Agendas.....	139
5.2.2. Local and Supra-Local Connections of the MTSO and the MOSBSD	145
5.3. Institutional Leadership in Manisa?	155
5.4. Conclusion.....	162
 6. LOCAL ENTREPRENEURIALISM AROUND LAND- RENT THE CASE of MANİSA COMMON ENTERPRISE GROUP	 164
6.1. The ‘Urban Rentiers’ in Manisa.....	166
6.2. A Local Public-Private Partnership Around Land- Rent: Manisa Common Enterprise Group	169
6.2.1. The Relationship of the MOGG with the Central State	174
6.2.2. The Local Growth Agenda of the MOGG	176
6.3. The Dissolution of The Partnership	182
6.4. The Rise of A Local Political Contention	188
6.5. Conclusion	193
 7. CONCLUSION	 199
 REFERENCES.....	 221

INTERNET REFERENCES	229
APPENDIX 1: The Frequency Distribution of The News Search Prior to The Field Trip According to The Actors Involved and The Issues Mentioned .	230
APPENDIX 2: Top Ten Provinces According to GDP Generated and Their Shares (%) within The Whole GDP (1990-2001)	231
APPENDIX 3: Values for Manisa, Aegean Region and Turkey at Some Selected Socio-Economic Variables (2000).....	232
APPENDIX 4: Selected News From ‘Manisa Hürriyet Newspaper’ (1972-1979).....	234
APPENDIX 5: News About The Struggle Between MTSO & MOSBSD Around Manisa OSB’s Administration (2000-2008).....	246
APPENDIX 6: The Institutional Membership Status of The Interviewees	261
APPENDIX 7: Opinions of The Interviewees About The Required Institutional Leadership In Manisa.....	262
APPENDIX 8: News About The Privatization of Sümerbank Textile Factory & The MOGG (2005-2009)	263
TURKISH SUMMARY	276

LIST OF TABLES

TABLES

Table 2.1. Summary of The Thesis's Theoretical Approach	30
Table 3.1. The Economic-Spatial Development Strategies Adopted in National Development Plans.....	70
Table 3.2. The share of The Political Parties in General Elections for Manisa Province (1954-2007) (%).....	78
Table 3.3. The Share of Political Parties In Local Elections For Manisa's Provincial Capital (1963-2009) (%)	79
Table 4.1. The Share (%) of Manufacturing Industry Employees Within Total Manufacturing Workers in the Aegean Region and Turkey (2000).....	92
Table 4.2. Rate of Net Migration and Population Change in Manisa Province.....	102
Table 5.1. Institutions Influential Upon Local Economy.....	157
Table 5.2. Institutions that Should Lead The Future of Local Economy	159

LIST OF FIGURES

FIGURES

Figure 3.1. The Organisation of Local Politics and Its Main Institutional Actors in Turkey.....	82
Figure 4.1. The Shares (%) of Selected Economic Sectors in the Total GDP Generated (By Current Prices) in the Province of MANİSA (1987-2001).....	89
Figure 4.2. The Shares (%) of Selected Economic Sectors in the Total GDP Generated (By Current Prices) in the Province of İZMİR (1987-2001)	89
Figure 5.1. Local and Supra- Local Connections of the MTSO and the MOSBSD During The Struggle For The MOSB's Administration	146
Figure 6.1. The Composition of The MOGG.....	169
Figure 6.2. A Chronological Flowchart of The Privatization of Manisa Sümerbank Textile Factory	196

LIST OF ABBREVIATIONS

Business and Labor Associations

MTSO: Manisa Ticaret ve Sanayi Odası (Manisa Chamber of Commerce and Industry)

MESOB: Manisa Esnaf ve Sanatkarlar Odaları Birliđi (Union of Chambers of Tradesmen and Artisans of Manisa)

MTB: Manisa Ticaret Borsası (The Commercial Commodity Exchange of Manisa)

MAGİAD: Manisa Genç İřadamları Derneđi (The Association of Young Businessmen of Manisa)

MASİAD: Manisa Sanayici ve İřadamları Derneđi (The Association of Industrialists and Businessmen of Manisa)

MOSBSD: Manisa Organize Sanayi Bölgesi Sanayicileri Derneđi (The Association

MOGG: Manisa Ortak Giriřim Grubu (Manisa Common Enterprise Group)

OSBÜK: Organize Sanayi Bölgeleri Üst Kurulu (Supreme Organisation of Organised Industrial Estates)

TOBB: Türkiye Odalar ve Borsalar Birliđi (The Union of Chambers and Commodity Exchanges of Turkey)

TMS: Türk Metal Sendikası (Trade Union of Turkish Metal Workers)

Industrial Areas

MOSB: Manisa Organize Sanayi Bölgesi (Manisa Organised Industrial Estate)

MOÖSB: Manisa Orta Ölçekli Sanayi Bölgesi (Manisa Medium-Sized Industrial District)

MKSS: Manisa (Kenan Evren) Küçük Sanayi Sitesi (Manisa Small-Sized Industrial District)

Political Parties

AKP: Adalet ve Kalkınma Partisi (Justice and Development Party)

ANAP: Anavatan Partisi (Motherland Party)

AP: Adalet Partisi (Justice Party)

CHP: Cumhuriyet Halk Partisi (Republican People's Party)

CKMP: Cumhuriyetçi Köylü Millet Partisi (Republican Peasants' Nation Party)

DP: Demokrat Parti (Democrat Party)

DSP: Demokratik Sol Parti (Democratic Left Party)

DYP: Doğru Yol Partisi (True Path Party)

FP: Fazilet Partisi (Virtue Party)

HP: Halkçı Parti (People's Party)

MDP: Milliyetçi Demokrasi Partisi (Nationalist Democracy Party)

MHP: Milliyetçi Hareket Partisi (Nationalist Movement Party)

MSP: Milli Selamet Partisi (National Peace Party)

RP: Refah Partisi (Welfare Party)

SHP: Sosyal Demokrat Halkçı Parti (Social Democrat People's Party)

TKP: Türkiye Komünist Partisi (Communist Party of Turkey)

YTP: Yeni Türkiye Partisi (New Turkey Party)

Other Institutions

DPT: Devlet Planlama Teşkilatı (State Planning Organisation)

CHAPTER 1

INTRODUCTION

1.1. The Aim and The Scope of the Thesis

This study focuses on the *nature of local growth politics* under contemporary conditions in which business actors have gained an increasingly determinant role in directing the path of local growth and in which the local state institutions involve in entrepreneurial activities. Given these conditions which signify ‘local entrepreneurialism’, the main argument of the thesis is that *an increasingly fragmented and conflictual local growth politics* is the defining feature of localities rather than the tendency towards local coherence as argued by the mainstream accounts to be examined in detail in the following chapter.

The increased globalization of investment activities and the accompanying shift to neoliberal policies define the current economic and political circumstances both for the nation states and the localities. The emergence of local entrepreneurialism as a local political strategy is thus closely related with the gradual withdrawal of the state from direct involvement in the growth of local economies. Integration with the increasingly competitive global economy through a local economic development strategy is also adapted as the main macro- economic policy in Turkey, especially since the mids of the 1990s. This new development paradigm argues the centrality of the utilization of the local resources and defines the local business actors as the primary local group that should make use of the local resources in order for the localities to gain a competitive advantage in the global markets vis-à-vis other localities.

Within this capital- centered new economic development paradigm, the importance of the place- specific strategies based on local resources and potentials is underlined. One of the mainstream assumptions within this regard is that the local business actors finding themselves faced with the conditions of increased inter-urban competition will act in a coherent way and are likely to built local coalitions.

It is argued that the existence of such local coalitions provides an advantage to the locality vis-à-vis the other localities whose actors are also putting effort to attract capital investments and available state resources into their cities. Besides, it is stated in the mainstream accounts that this competitive advantage fostering the growth of local economy will benefit all the local actors at the end.

The commentators who have a critical approach to the mainstream local economic development approach have stated that localities under increased exposure to capital demands and the withdrawal of the state from welfare provision will be places in which deepened conflicts and inequal social and economic outcomes will emerge, i.e. increased inter- and intra- class conflicts will be observed. However, empirical studies aiming at unfolding the political processes behind local economic growth with such a critical approach is limited. This thesis, in this sense, is thought to contribute to the repertoire of empirical studies adopting a critical perspective towards the current conceptualization of the political-economy of urban areas. The discussion in this thesis will be carried out through the case study of Manisa.

Manisa has always had a strong agricultural character due to its location at one of the most fertile lands on Turkey. Thus, agricultural activities, especially the production of valuable, export-oriented crops, have always been central to the economic wealth generated in the city. However, the opening of Manisa Organize Sanayi Bölgesi (Manisa Organised Industrial Estate, MOSB) in 1971 has marked a significant turning point in the path of local development. The city gained an industrial character after the 1980s, and in particular during the 1990s, while not losing its agricultural identity. By early 1990s, big capital including multinational investments have entered into the local economy of Manisa with the effects of city's locational advantage, transportation opportunities as well as the availability of cheap land and cheap labor.

The purchase of VESTEL Electronics firm in Manisa by the Zorlu Holding Group Company in 1994 is another turning point for Manisa's local economy. The increasing share of the firm among Manisa's total industrial employment and

growing volume of supplier industry are the basic reasons for placing VESTEL firm at the core of Manisa's current industrial structure. The dominance of VESTEL as the main employer is accompanied by its high influence on local growth politics which is exemplified in instances like its control over local labor market and its central role in industrialists' recent struggle for gaining the administration of the MOSB, i.e. gaining the control over local resources for industrial growth.

This thesis which poses a challenge to the mainstream accounts putting forward the tendency towards local coherence under conditions of increased inter-urban competition assumes that the increased economic competition actually fosters the two lines of apparent conflicts: between different fractions of local capital and between local capital and local labor. Within this regard, the aim, on the one hand, is to show the impossibility of a single and unified local interest and, on the other hand, to present the weakness of the necessary relationship that the mainstream accounts build between local coherence and local growth. Manisa provides a fruitful case in both senses.

The co-existence of the agricultural and industrial sectors has gained a conflictual character in Manisa especially in the 1990s due to the industrial capital's increasing weight in the local economic structure through the investments of the Zorlu Holding Group Company and to the unstable state incentives towards the agricultural sector. The changing composition of the local capital and the following tensions between the agricultural & small-commercial capital and the industrial capital have resulted in the restructuring of power relations between these conflictual economic interests which is exemplified in the struggle for the MOSB's administration. Besides, as mentioned above, the local labor strategy of the Zorlu Group as brought about the rise of a deeper conflictual relationship between the local labor and local capital. In spite of the apparent conflicts between the different fractions of local capital and between the local labor and local capital, it is identified that Manisa has maintained its economic position in the national economy. Thus, the continuing local growth in Manisa has been marked with conflicts between different local groups rather than the collaboration between them since the mids of the 1990s.

The fragmentation of local interests and the emergence of a more conflictual local growth politics will be mainly analysed by employing the key concepts of ‘spaces of dependence’ and ‘spaces of engagement’. The concept of ‘spaces of dependence’ (or local dependence factors) is central to the main argument of the thesis as local dependences of different local actors are suggested to provide the cement for local collaboration to be built among local actors in the current literature.

However, another key argument of the thesis is that local dependence does not necessarily lead to local collaboration. The idea of local dependence, which is defined around the discussion of mobility/ immobility, is derived from the view of the urban areas as local fixes vis-à-vis the fluidity of capital and labor movement on a global scale. In this sense, different local dependence factors of the local actors are attributed an enabling role for local collaboration which is seen an essential component of the local fix. As opposed to this mainstream conceptualization, it is argued in this thesis that different local dependences of actors to the same locality result in the divergence of their preferences and the strategies they utilize with regard to the factors that bind them to that locality. Therefore, the clash of diverse interests stemming from diverse local dependence factors is quite likely. It is thought that such a clash is more likely given the circumstances in which the localities are more open to outside influences like the investments of global capital and immigrant labor.

In particular, the consideration of land ownership as one essential local dependence factor has led to the development of the idea in the mainstream literature that the generation of urban land rent may be at the heart of the local collaboration to be built in urban areas. Although this idea, which is suggested by the growth coalition approach, has a certain explanatory power, it is also possible to claim that the generation of urban land rent serves as a dependence factor which stimulate local political contention. Consequently, another secondary argument of the thesis is that the generation of urban land rent may be identified as a local dependence factor which explicitly lead to increasing conflicts in the local political processes. It is essential to mention here that the entrepreneurial role defined for the local state

institutions (in particular for the municipalities and particularly with respect to land-development activities) and the intermingling of the local and political level politics in Turkey are two key aspects of this argument.

‘Spaces of engagement’ which is another key concept refers to the connections of local actors which are generally built up with supra-local level actors. In order to properly grasp the dynamics of local growth politics and to identify how conflicts define this process, such connections of local actors, which direct our vision to the importance of national politics, is central to the discussion carried out in this thesis. It is widely observed that local actors utilize their national level political connections for the pursuit of their local interests. Besides, the discursive use of global economic connections by the multinational firms is another essential aspect of the incorporation of spaces of engagement in local growth politics. As different local dependences are argued to result in conflicting strategies of local actors, it is assumed in this thesis that diverse supra-local connections of actors are also influential upon the development of a conflictual process of local economic growth.

To summarize, this study aims to undertake the following tasks:

1. To explore the dynamics of local growth politics in Manisa in order to understand the nature of this politics within the current context where the shift in the restructuring of national economies has resulted in the business actors’ dominant role in determining the economic future of localities and the increasing engagement of the local state institutions in entrepreneurial activities,
2. To identify the conflictual and fragmentary nature of contemporary local growth politics in a way to put forth some global tendencies (such as the role of multinational capital in the growth politics of localities and the increasing conflict between the local capital and local labor) as well as the peculiar aspects as a result of the Turkish national context (such as the centrality of the generation of land rent to local politics and the intermingling of the national and local level politics) and Manisa’s local conditions (such as the

conflict between the agricultural & small- commercial capital and the industrial capital),

3. To indicate how concept of ‘spaces of dependence’ and ‘spaces of engagement’ can be elaborated in an alternative way and contribute to a critical analysis of the political-economy of urban areas,
4. To develop policy implications and suggestions concerning the future of local economic growth in Turkey.

In the light of these objectives, the thesis is organised under five main chapters. In the theoretical chapter (Chapter 2), a review of the existing literature on local growth politics will be made and the necessary concepts as the analytical tools for the discussion of the case study findings will be derived. In this sense, the chapter aims to achieve two main purposes. The first one is to present the common assumptions of the different approaches in the existing literature on local growth politics and to make a critical evaluation of them. This common theme is that a “local coherence is necessarily reached” among different local actors as a result of the increased inter-urban competition. The second purpose of the chapter is to derive concepts out of this literature, and to utilize these concepts in an alternative way to present how contemporary local growth politics is subject to deepened conflicts rather than local coherence. In other words, it is aimed in this chapter to elaborate on the conceptual link between local growth politics and intra-local conflicts under conditions of increased inter-urban competition. In this sense, the basic local power structure, agenda setting and decision-making process and local actors’ interaction with the supra-local actors are identified as the three main analytical issues which are thought to be helpful for the critical discussion of the idea of local coherence.

Chapter 3 is designed to provide us with the national economic and political context which is needed for a proper analysis of the case study findings. Moreover, an evaluation of the Turkish context is necessary given the deficiencies of the mainstream literature to explain the local growth dynamics in all national contexts. In order to serve these purposes, the chapter includes a discussion around the basic

power structure, agenda setting and decision-making process and local actors' interaction with the supra-local actors in Turkish localities. The post-1980 period has been given a special attention as the shift in the macro- economic policies and relatedly the restructuring of the administrative system in this period are determinant on the main dynamics of the current local growth politics in Turkey.

With respect to the basic local power structure in Turkish localities, it is identified that there is a historical dominance of the small- commercial capital (also the agricultural capital in Manisa case) in local politics. However, it is seen that due to the emergence of a new industrial elite as a result of the shift in the national accumulation strategy and the increasing activities of the construction capital and landed- interests in line with central state policies (the increasing state and private sector investments in the built environment) in the post- 1980 period, this dominance has begun to be shaken. In Manisa case, the rule of the Manisa Ticaret ve Sanayi Odası (Manisa Chamber of Commerce and Industry, MTSO- a local business institution around which the small- commercial capital and small- industrial producers have organised) in MOSB's administration has shown that local growth agenda was set for a long time by these capital interests until 2008 when the MOSB industrialists took the control of the MOSB's administration.

Regarding the local actors' connections with the supra-local actors, the intermingling of the national and local level politics in Turkey is the key issue. Thus, for the pursuit of their local interests, although through different channels and with different strengths of influence, the national ties are significant for all local actors. As a part of the interminling of the national and local politics, the local- central state relations in Turkey have been characterized with the leading role of the central state in taking growth decisions for localities while the local state institutions- especially the municipalities- have a prominent role in the production of the built environment which is directly related with the creation and distribution of land-rent.

Chapter 4 depicts the history of local growth in Manisa with a focus on the development of the industrial sector in the city. In this regard, the aim is to identify the breaking points in the history of local industrial development with reference to the national economic and political context. The main argument of the chapter is that the history of Manisa's local (industrial) development is marked more by conflicts rather than examples of local collaboration. The four periods identified to present the industrial history in Manisa indicate how the local power structure is reshaped and how different local actors have been determinant on the path of local growth in different periods. It is seen that the entrance of outsider actors (such as the investments of outsider capital and/ or migrant labor) to the locality and the national industrial policies introduced by the central state (like the enactment of new OSB law) are the two main forces behind this reshaping.

As different actors come into prominence in controlling the path of local economic growth as a result of their influence in the local growth politics in different periods, the central issue was that conflict rather than coherence was a common feature marking all these periods. Besides, as these periods exist within a continuum and as the conflicts are not generally resolved, they are transferred to the next periods and thus cumulated.

Four key periods identified in the political-economy of Manisa's local growth around industrial development and their most notable features are as follows:

1. 1923-1970→ In this period, Manisa is defined as a national agricultural center and as a provincial commercial center which served to the nearby towns. The share of the industry in the local economy was quite limited. In this sense, there was an apparent dominance of agricultural and small-commercial capital in local growth politics.
2. 1971-1979→ This period is marked with the introduction of an organised industrial estate in Manisa which has been dominated by the agricultural sector. The argument is that with the introduction of the MOSB, the

background for the conflict between the agricultural and industrial capital, which became apparent in the last period, was set forth. The fact that the opening of the MOSB was largely related with the capital owners' search for cheap industrial land which became extremely high in İzmir indicates the interaction of local and supra-local actors and forces for the determination of local economic growth and the politics around it.

3. 1980-1994→ The period after 1980 is the period when export-oriented industrialisation strategy was introduced in Turkey. With the impact of remarkable state incentives for export-oriented businesses, the volume of industrial activity grew rapidly in the MOSB in this period. The central statement regarding this period is that with the entrance of the influential industrial actors into the local economy, the local power structure began to change. In spite of the increasing power of the industrial capital in the local economic structure, the small- commercial and agricultural capital through the MTSO's rule of the MOSB's administration has maintained its dominant role in local growth politics.
4. 1995-Present Day→ In this period, the big, outsider capital which began to be influential in Manisa's political-economy in the previous period enhanced its control over local growth politics vis-à-vis the local business elite who were composed of native people primarily engaged in agricultural and small- commercial activities. The purchase of the existing VESTEL firm by Zorlu Holding Group Company and its further investments in Manisa was the most essential turning point in this period. This multinational Group gradually increased its influence upon local growth politics and its control over the local labor force. The argument is that the temporary consensus of the previous period began to be dissolved in this period. It is essential to note that the economic strategies of this emergent hegemonic firm have been influential on the transformation of the previous period's potential disputes into apparent conflicts.

After 2000, Manisa's local growth politics was marked by two essential lines of conflict. One of them was the dispute among the local business elite over the administration of the MOSB. The other was the controversial process of the purchase of the Manisa Sümerbank Textile Firm by the Manisa Ortak Girişim Grubu (Manisa Common Enterprise Group, MOGG). These two cases clearly indicate that the cumulated conflicts began to crystallize in Manisa's local growth politics.

In Chapter 5 and Chapter 6, the analysis of these two recent instances of local conflict will be carried out. The fifth chapter will be about the analysis of the struggle around the MOSB's administration, which took place between the MTSO and industrialists operating in the MOSB. The aim is to discuss and prove the existence of diverse local interests among the local business community and relatedly their varying local growth strategies. In this sense, central to this discussion is the differences between the local dependences of different fractions of capital and between the different sections of the industrial capital. While the contention between the different fractions of capital is the backbone of the struggle to be analysed, the inner fragmentation of the industrial community will also be mentioned. The distinction between the small and medium-sized industrial entrepreneurs and the big industrial capital is especially made explicit in the supra-local relations of different industrial groups whose strength and form show variations.

In Chapter 6, the privatization of the Manisa Sümerbank Textile Firm and the involvement of a public-private partnership (the MOGG) in this process will be analysed. The central issue in this example is the generation of urban land rent which is argued to be the main ground for the formation of local coalitions by the growth machine approach. In this regard, the chapter will investigate the validity of this argument given the local political contention that was triggered by the generation of a huge land rent by the leading MOGG members among whom the previous mayor had a pioneer role.

Hence, unlike the case of the struggle around the MOSB's administration where the different dependence factors of the actors were identified at the background of the fragmentation of the local business elite, the MOGG case focuses on a single local dependence factor. Another divergence between the two cases relates with the main local institutions who are placed at the heart of the issue. While the MOSB was the main loci of power in the case presented in Chapter 5, the municipality is the central local institution in the MOGG case. However, these two cases are complementary regarding the structural changes taken place in Turkey in the post- 1980 period. The struggle around the MOSB's administration refers to the rise of the industrial capital in local economic structures through the export- oriented macro- economic policies designed for the integration of the national economy with the global markets. On the other hand, the MOGG case is a clear example of the emergence of urban areas as the main sites where both the state and private built investments are directed after 1980 and accordingly the rise of the municipalities as the main loci of power for the landed- interests and the construction capital.

1.2. The Methodology and the Research Methods Used in The Case Study

To begin with, this thesis is based on an empirical study and line with the research question and the basic aim, the (critical) realist methodology is adopted. One of the main strengths of the realist epistemology over the positivist one, which is the most influential approach in both natural and social sciences, is its argument that the reality is *not necessarily observable*. Although both approaches share the view that there is an external reality to be analysed and whose theories will be generated through discovering some causal relationships, the basic difference between them is the logic through which the knowledge of this reality will be reached. In this sense, the realist methodology, unlike the positivist approach, does not rely simply on observable data. It aims to identify the underlying and unobservable structures and forces behind the external reality for finding the causal relationships involved (Blaikie, 1993; Saunders, 1984).

More concretely, although particular kinds of relationships in society may be deemed to be causally necessary, the actual form that they take depends on the *non-necessary, contingent circumstances* through which they are actually played out. It indicates that although some valid laws can be articulated about socio-economic processes, the laws should not be expected to be manifest at the empirical level as absolute regularities since the realist approach claims that they never actualize in *ceteris paribus* form (Scott, 2000; Blaikie, 1993). The realist approach's emphasis on the importance of contingent circumstances offers a suitable base for the identification of local and national peculiarities which are essential determinants of the local growth politics that is experienced in different localities under similar global conditions like the investments of multi-national firms and the restructuring of the national economic and political context. Within such a perspective, it is thought that alternative explanations for the nature of contemporary local growth politics can be produced.

Another anti-positivist and powerful aspect of the realist approach regarding the purpose of this study is its acceptance of the interpretive view that social reality is pre-interpreted. It refers to the belief that the society is both produced and reproduced by its members and is therefore both a condition and an outcome of their activity. Within this respect, unlike the natural sciences which is built on a strict subject-object relationship, social science has a subject- subject relationship to its subject matter (Blaikie, 1993).

The research strategy and the methods used for collecting data are chosen to reflect the principles of the realist methodology. By adopting the *retroductive research strategy* used by the realist approach, the first step of the research was to exert the observed connections between phenomena or correlations between variables (Blaikie, 1993). The statistical data obtained from the Turkish Statistical Institute on the economic variables revealed that Manisa's local economy has made a leap in the export-oriented industrial production in the last decade while an archive search including the local and national newspapers showed that there has been a

longstanding dispute over the administration of the MOSB, whose control provide the local actors with a powerful means of influence on local growth politics¹.

Since the industrial leap in the last decade was initiated by the investment of a multi-national firm in Manisa, the first connection was built between the phenomena of the conflictual local growth politics and the multi-national firm which has gradually dominated the local industrial activity. The task of this first step is to explain why such relationships or connections occur. Within this regard, the interviews and the surveys conducted in Manisa revealed that the restructuring of the local economy concerning the repositioning of the local elite in local decision-making structures for industrial growth and firm strategies directed at controlling the local labor force may be possible explanations of the relation between conflictual local growth politics and the investment of the multi-national firm. The fact that the dispute over the MOSB was initiated by the new OSB law enacted by the national state has led us to build a second relation between the restructuring of the local economy and the interaction of local and national level politics.

Another observed phenomenon in recent years in Manisa was a local alliance which was built for the purchase of the Sümerbank factory land which is to be privatized by the national state. In this case, it was seen that a temporary alliance was built between local public and private actors under the leadership of the Manisa Municipality. However, the fact that this alliance soon ended and has turned out to be a political issue which was used against the mayor involved in this process in the latest local elections has led us to built a connection between the generation of land

¹ Before the first field trip to Manisa, newspaper archieve search was done via internet to get an initial idea about the prominent institutions and people as well as the uptodate issues that were on the agenda of Manisa city. From five newspaper (Local newspapers of Manisa Yarın Newspaper, Manisa Haber Newspaper, Hürriyet Newspaper, local TV of Manisa ETV Television and a national internet newspaper of Haber7), totally 55 news were gathered. The news covered the period of May, 2004 and June, 2007. The news were selected on the basis of subject keywords like “industry, agriculture, urban development, urban life” as well as actor keywords like “municipality, central state institutions, business associations, workers’ associations”. The frequency distribution of the news according to the actors involved and according to the issues mentioned in the news can be found in Appendix 1.

rent which was central to the formation of this partnership and the conflictual nature of contemporary local growth politics.

The second stage of the retroductive strategy is to postulate the existence of the real structures and mechanisms which can explain the relationship built between phenomena (Blaikie, 1993). Regarding the connection between the repositioning of the local elite in the politics of local growth due to the restructuring of the local economy, the mechanisms involved relate to the inherent contradictions between different fractions of capital in the process of capitalist development and the interaction between the national and local level politics in the determination of the future of local economy and the conflictual political processes behind it. In more concrete terms, the emergent conflicts between different fractions of capital can in the first place be associated with the differences in their local dependences to the locality and secondly to their supra-local relations which they use to pursue their local interests.

With respect to the second connection built between the generation of land rent and the emergent local conflicts, the main mechanism involved is the neo-liberal restructuring of the state through a capital-centered approach and the emergence of the municipalities as essential loci of power for the generation and the distribution of urban land rent after the 1980.

The last step defined for research adopting a realist methodology is to demonstrate the existence and operation of these structures and mechanisms, either by experimental activity designed to isolate and perhaps to observe them, or by eliminating alternative explanations (Blaikie, 1993). This was done by designing the survey and interview questions in the way to search the defined connections and the assumed mechanisms behind them. As the primary data is obtained in this way, the secondary data such as the newspaper archives and the statistical data obtained from the Turkish Statistical Institute was also interpreted within the framework developed around these postulated connections and mechanisms.

In consistent with the retroductive research strategy, both the qualitative and quantitative research methods are used in this thesis. *Data triangulation* which incorporated both stream of methods defines the approach of data collection in this study. In this respect, survey as quantitative method and semi-structured in-depth interviews and newspaper archive search as the qualitative methods were used as three different data collection techniques. The data through these techniques was collected in three visits to Manisa in the period between April 2008-May 2009.

The research targeted to reach the three groups of local actors: the local businessmen, the local politicians and the local workers. In order to make a proper sampling regarding their population numbers and by considering the best circumstances for reaching them, methods have been differentiated between the research on local workers and local businessmen & politicians. As the population of the local workers was greater than that of the businessmen and the politicians and the workplace was the ideal place to reach most workers, the survey was chosen as the most reliable research method since it provided us to reach more interviewees when compared to the method of in-depth interview. However, in order to include the unemployed and retired workers, 13 in-depth interviews were also conducted with the local workers who were randomly chosen through mostly by personal contact.

The survey was conducted among the local industrial workers (most of them were employed in the small and medium- sized industrial firms) (totally 210 participants) and the owners of small and medium- sized industrial firms (totally 30 participants). The survey with the workers aimed at identifying the socio-economic features of the local labor force, the employer-employee relations in the locality, the effects of migration on the local labor market as well as the workers' views on the incidences of the MOSB's administration and Manisa Sümerbank Textile Firm's privatization.

Although a random and even sampling is targeted for the surveyed workers in terms of the size of the firms that they are employed, given the limitations of the research most of the workers surveyed were from the middle-sized industrial districts

(Manisa Orta Ölçekli Sanayi Bölgesi and Muradiye Orta Ölçekli Sanayi Bölgesi) contrary to the fact that most of the city's industrial workers are employed in the MOSB. Thus, although the randomness of the survey was achieved, there has been a deviation in terms of an even sampling which is sensitive to the population sizes in three different types of industrial districts due to some uncontrollable factors. The distribution of 210 workers according to the sizes of the firms that are employed are as follows: 46,6 % medium- sized industrial districts, 28,6 % small-sized industrial district, and 23,3 % organized industrial estate.

The small and medium- sized industrial entrepreneurs were surveyed around issues like socio-economic features of the local employers, the relations between the main and supplier firms and employers' opinions about the local labor market as well as the entrepreneurs' views on the incidences of the MOSB's administration and Sümerbank's privatization. It is necessary to mention that the surveys with the industrial entrepreneurs mostly exceeded the scope of the survey questions in the course of the surveys and, in this sense, it is better to define the research conducted among them as a combination of survey and in-depth interview. Besides, most of the entrepreneurs were located in the small-sized industrial district (19 out of 30) while only 3 firm owners from the MOSB could be reached.

Besides the surveys with the workers and the owners of small and medium-sized firms, 41 semi-structured interviews were made with three main groups of local actors. The first group consists of 13 local businessmen and local managers in the industrial and commercial sectors most of whom were also the representatives of local business associations. In the second group there were 14 people who were engaged in local politics (as mayors, municipal council member, the provincial council members and as members of political parties) either in the previous periods or at the time of the interviews. Some of these people were also members of the local business community. The total number of interviewees who were active in the local agricultural, small commercial, industrial and construction sectors either as employers or managers was 17 (9 were active in the industrial sector, 5 in the agricultural/small commercial sector and 3 in the construction sector). The third

group consists of 14 representatives of the local labor force. One of them was the head of the Manisa branch of the Trade Union of Metal Works, who was himself a former worker, while 13 interviewees were employees who were active, unemployed or retired at the time of the interviews.

The newspaper archive search was conducted in order to obtain data about the historical development of the industrial sector in Manisa as well as about the course of the selected incidences. In this respect, the archives of two local newspapers (Manisa Haber and Hürrişık Newspapers) were searched.

CHAPTER 2

CONCEPTUAL FRAMEWORK

2.1. A Critical Evaluation of the Contemporary Tendencies for Theorizing Urban Areas

In the post- 1980 period, contrary to the previous conceptual approaches which sees cities as the centers of collective consumption, urban areas have begun to be seen as centers where industrial production and related economic activities are organised. Although urban areas have been places where both the production and consumption activities take place and are organised by various institutions (led by the state institutions) throughout the history of capitalism, the emphasis on the production sphere has particular reference to the restructuring of capitalism on an increasingly global scale.

The critical point about the strong reference to “globalization”² given by the recent literature in analysing urban areas relates with its emphasis on the means through which the urban areas can cope with and survive in the competitive economic environment caused by the highly mobile “global capital”. In this emphasis for searching the proper ways to enable the articulation of the urban areas to the global economy, the central issues have been the attraction of global capital to the localities through the provision of required infrastructure and technical expertise, the creation of the suitable business climate and etc. (Wong, 1988; Murray, 1996; Harvey, 1989). On the other hand, it is seen that the concerns relating to the provision of adequate and proper urban services to local people have been put to the

² The ‘globalization discourse’ is one of the main foundations that the argument of the tendency towards local coalition building is based on. It is essential to note that we advocate the critical approaches to this discourse. In particular, we agree with the idea asserted by some commentators (Coe et al., 2008) that globalization is not an “out there” phenomenon which is often presented as an irresistible external force operating out of human control, but rather socially created. This is exemplified in the liberalization of the trade regulations by the national state and in the entrepreneurial efforts by the local state. Thus, both the national and local state should be perceived as the constitutive actors of globalization process, not as mere respondents.

secondary position in the policies designed by both the central and the local state (Harloe, 2001). The prominence given to being sensitive to the requirements of capital by the state institutions have been defined by scholars as the shift from ‘demand-side policies’ to ‘supply-side policies’ or the emergence of ‘entrepreneurial urban governance’ which is pursued as a political strategy (Harvey, 2005).

As one of the problems with this conceptualization of urban areas and the design of policies with such a capital-centered approach is the neglect of the needs of the huge urban populations, the other problem relates with the way that the politics of local economic growth, which is in fact determinant upon the capital-centered policies, is conceived. The mainstream assumption within this regard is that the local actors finding themselves faced with the conditions of increased inter-urban competition will act in a coherent way and are likely to built local coalitions (Cooke, 2004; Austin & McCaffrey, 2002; Cooke & Morgan, 1998a; Amin & Thrift, 1995a, Amin & Thrift, 1995b). It is argued that the existence of such coalitions provides an advantage to the locality vis-à-vis the other localities whose actors are also putting effort to attract capital investments and available state resources into their cities.

The first problem mentioned above is related with the increasing concern with the “economic success” of localities and how this success is addressed. At one side, the success of urban areas are generally measured by the outcome variables such as the rate of export-oriented production within the total revenues generated in the locality (as the indicator of the articulation to global markets), rate of manufacturing jobs, added value generated from manufacturing industry per capita, population change (as the indicator of city’s attractiveness for migrant population), the level of poverty etc. (Begg, 1999; Wong, 1998).

On the other side, input variables which can be compiled under three major headings are identified as a result of the studies focusing on the cities/ regions which showed a notable pace of industrial growth after 1980s. The three categories

of factors which are identified to be common to the ‘successful’ cities are defined as **intra-firm factors** (including the firm structure- family firms vs. non-family firm-, technological level, innovation and creativity and product type- standart manufacturing goods vs. high-tech and niche products), **inter-firm factors** including the organization of production (including sub-contracting vs. organization of all production phases in one firm, specialization of the firms, learning process through which firms increase their innovative and technological capacities) and lastly the **socio-cultural and political factors** including local labor structure and employer-employee relations, local collaboration and corporation culture- generally conceptualized under the concepts of ‘social capital’ and ‘institutional thickness’ and the level of state incentives and subsidies (Boddy and Parkinson, 2004; Kresl, 1995; Amin and Robins, 1990).

Both the input and output variables upon which the localities are assessed are production- related and supply-side factors whereas the reproduction-related, demand-side issues are neglected. In short, local economic development as formulated within such a framework in fact tends to be a zero-sum-game, with winners and losers produced both among different localities and among different groups within the same locality. Thus, we evaluate the emergent economic success of cities from such viewpoint rather than believing that economic growth will benefit all local groups. This is one of the main perspectives which is adopted throughout the thesis and in particular in the development of its hypotheses.

The growing literature of ‘new industrial spaces’³ which firstly emerged in developed European countries by the early 1980s and then has become quite

³ In consistence with the focus on intra-firm and inter-firm factors, the locality as a whole is not regarded as the competitive unit in this perspective. Rather, the single firms and clusters of firms connected to each other in a network are seen as the competitive unit. Seeing private firms as the driving force behind local economic growth and giving state institutions the role of enhancing the networking between these firms and of helping the firms in increasing their technological level are the two main pillars of thought within this framework (Eraydin, 2002). “Region” seen as the most efficient scale for the economic and political organization of production within this framework has led to an increasing emphasis on Regional Development Agencies which are also introduced in Turkey and recently established on the grounds of the NUTS-II level regions determined earlier.

influential in several other countries including Turkey has focused on deriving the above mentioned factors from the successful examples as well as of the evaluation of other cities through these factors. In other words, remedy- like strategies are developed for localities which have not shown a growth pace like that of ‘new industrial spaces’ (Lovering, 1999; Cooke and Morgan, 1998b; Asheim, 1996). There have been several studies⁴ which adopt this perspective in Turkey after 1980 as well. They have discussed the growth dynamics of some emergent industrial cities like Denizli, Gaziantep, Konya, Çorum and assessed their positions within the global economic markets.

Thus, both in the developed and developing countries the attention has been given to studying the factors that provided some regions with competitive advantage in the global economic system. While several studies have been done on the direct factors that influence productive efficiency (the intra-firm and inter-firm factors), those elaborating the socio-cultural and political factors on the economic performances of cities are not few. However, it is seen that studies dealing with local collaboration and corporation culture in cities are dominant in the literature over those focusing on other socio-cultural and political factors like the local labor structure, employer-employee relations and the role of the state.

Although there is a huge number of different studies examining the effect of the local collaboration and corporation culture as a factor determining the competitive advantage of localities, the issue is generally covered in quite similar ways. In this sense, these studies see the relation between local collaboration and local economic development as a unilateral one. In other words, it is argued that the more intense

⁴ In one of these studies, the data on Turkey’s existing and emerging industrial cities (based on the variables of amount of industrial production and employment) for the period between 1988-1999 revealed that Bursa, Tekirdağ, Denizli, Gaziantep and Manisa have been above the national average with respect to the mentioned variables. Besides, it was observed that Denizli, Gaziantep, Manisa, Tekirdağ and Eskişehir have survived better during the economic crises of 1994 and 1999 when compared to the other industrialized cities in terms of the same variables (Karaçay-Çakmak & Erden, 2005).

the collaboration and corporation culture in the locality, more likely that the locality will be an attraction center for capital and will gain an advantage while competing with the local actors of other localities.

This last point is the initial point where this thesis departs from. It is because this point is closely related to the framing of the local economic growth politics and followingly the formulation of local growth policies which is identified to be the second main problematic aspect of the contemporary conceptualization of urban areas. There are some common themes which mark the studies searching the economic success of some emerging urban economies and elaborating on the role of local collaboration in these success stories. These studies conceive local collaboration as the main political aspect of the local economic structure. The common themes that are employed in this conception and their critiques from this thesis perspective are:

- The observation that urban areas which have been relatively successful in their articulation to the global economy are those having close relations between firms and/or a collaboration of local actors has led to two interrelated consequences. One of them is the argument that such collaborative and solidaristic relations have a positive contribution to the economic performance of the localities. The second is the assumption that the competitive economic environment will lead and indeed force local actors to built these collaborative relations. In other words, while inter-urban competition on the global scale is defined as the basic motive behind the collaboration of local actors, i.e. the “unity of the local” vis-à-vis the rival localities, a distinctive local economic growth is seen as the main outcome of these collaborative practices. As some localities are identified to have a collaborative culture based on the long term practices of local actors, other localities which do not have such a local culture are advised through various policy tools (such as the public-private partnership logic imposed by the renewed law on municipalities numbered 5393 and the introduction of Regional Development Agencies- RDAs- in Turkey) to put effort for building up collaborative relations as a significant factor for local economic growth.

- The emphasis on the importance of a collaborative local culture is a part of the wider emphasis on local peculiarities which are highlighted in the new development paradigm⁵. Two main reservations about the emphasis on local peculiarities can be put forward. First of all, the new development paradigm formulates the argument about local peculiarities in such a way that it generally refers to the utilization of local resources for enabling a local economic growth which is supposed to benefit all local groups. However, as argued above, since economic growth under capitalism is likely to result in winners and losers, I think that the argument about local economic growth in contemporary period needs to be reformulated. In this sense, I argue that local economic growth should be grasped within the general framework of the uneven capitalist development. Followingly, I argue that the local resources (the local labor in the first place and the urban land) are utilized (in fact exploited) for actually benefiting the local elite. From this perspective, the emphasis on the utilization of local peculiarities for local economic growth gain a different meaning which signifies the existence of power imbalances in the political process of local economic growth with regard to the fulfillment of the interests of different local groups⁶ as well as the uneven economic and social outcomes that this process result in.

- Secondly, the strong emphasis on local peculiarities has an important shortcoming in the sense that it leads to the neglect of the supra-local forces which are actually determinant in the shaping of the economic and political life in localities. The supra-local forces like the regional organizations (eg. the regional development agencies), the central state and international organizations (eg. the European Union) can not be excluded from the analysis of the politics of local growth as local level

⁵ It is essential to note that the recent literature associates local peculiarities with 'entrepreneurship' and 'competitiveness' (Eraydin, 2002).

⁶ As an opposition to the new formula of economic development depicting the stimulation of local resources by the local actors, Harvey (1990) states that the emphasis on 'place' in the discipline of geography has strengthened in the contemporary period of capitalist development when the particular qualities of place have become of much greater concern to multinational capital. He adds that this emphasis has been accompanied by a renewed interest in the local politics as *an arena of supposed stability*.

politics is not merely produced on the grounds of local actors' dependence relations to the locality but also on the grounds of their supra-local relations. In particular, in countries with a strong centralist administrative and political tradition like Turkey, the relations between the central and local state determine the path of local growth politics to a large extent.

A brief, critical evaluation of the new development paradigm brings out some alternative questions about the contemporary conceptualization of the local growth politics. One of the major questions that emerges in this sense is "Is it reasonable to define a necessary relationship between local economic growth and local coherence as if there has been a unified local interest?". Manisa, which is chosen as the case study area of this thesis, have a substantial and steady economic performance (based on a comparison with other Turkish cities by taking into account the GDP generated in the provinces) throughout the Republican Period. A significant change has occurred in the contribution of different economic sectors to the provincial GDP by 1997 after the investment of a multinational company having Turkish origins (Zorlu Holding Group Company) in Manisa. There has been a considerable increase in the share of industrial sector in the local economy since then. On the other side, in the last few decades, Manisa is observed to experience this economic transformation under conditions of several local conflicts which have wider repercussions in national level politics. Therefore, the industrial growth in Manisa after the mid-1990s has occurred under conditions of apparent struggles between different local actors rather than conditions of a local coherence among them. This fact about Manisa gives the above question an important ground of justification for claiming an alternative approach to the current growth politics in localities.

Second major question following the first one is: "Does increased inter-urban competition can resolve the existing local conflicts and the diversified local interests around the common goal of local economic growth which is framed as a victory gained against other localities?" or, on the contrary, "Does competitiveness deepen the already existing local conflicts?". The first of these questions refers to the formation of the political process which gives way to local economic growth

and the second one to the political and socio-economic outcomes of this process. When searching for the answers of these questions we will assume that it is not local economic growth itself but the politics of this growth which is actually determinant upon its outcomes. Besides, ‘competitiveness’ or ‘inter-urban competition on a global scale’ should not be conceived as an abstract external force exerted upon localities but as a concrete phenomenon which gain local significance in localities through the entrance of multi-national companies to local economies and the national policies regulating the political-economic structure of urban areas (such as the Organised Industrial Estates in Turkey and the introduction of Regional Development Agencies). What is vital to bear in mind that these global or national forces becomes local phenomenon as they interact with the local actors through the political process of local economic growth.

The search for the consequences of the local economic growth through the analysis of the local political process behind it is thought to be significant given the fact that the studies produced within the mainstream framework are not very much interested with the implications of the widespread development paradigm enforced on the localities. On the contrary, they generally concentrate on defining the necessary steps that the localities should take for fitting into this proposed development paradigm. In short, there is a shortage of critical studies which address the consequences of current local development experiences through elaborating on the conflictual political processes which shape them. In this sense, one of the targets of this thesis is to offer an example of such studies.

In the mainstream local development paradigm, local peculiarities (such as the local collaborative practices and the local labor force) are reduced to be factors expected to serve to a single growth scheme rather than viewed as social and political processes which appear in distinct ways in different local settings and in this sense have different effects on the future of local economies. Contrary to this functionalist understanding of local peculiarities, the discussion on local peculiarities should depart from the question of “What is the actual dynamics of the local political processes affecting localities’ growth paths?”. In particular, “What are the main

political processes taking place in localities with respect to its peculiar economic structures of local capital and local labor?”.

There are two critical points regarding the answers sought for these questions. One of them is the assumption that the economic and political processes are intermingled. The second is the idea that since local peculiarities are not fixed factors determining the path of local growth, but rather subject to an ongoing transformation through local political processes, they need to be grasped within their interaction with supra-local level politics. It is believed that through such a perspective that it will be possible to make an alternative evaluation of the contemporary growth politics. Besides, rather than assessing different localities according to some strictly defined criteria, it enables us to identify the actual characteristics of the local growth process taking place in localities in terms of both its economic and socio-political dimensions. In this way, the relation between local peculiarities and local economic growth can be viewed from a different perspective which is sensitive to the actual consequences of the local growth. In other words, the idea that some aspects of local peculiarities, which are generally defined around the features of the local capital and local labor in the mainstream literature, do not solely give way to economic success of localities, but also foster the negative consequences of entrepreneurial local economic growth is brought forward in this thesis. Moreover and in particular, a challenge is directed towards the idea of local coherence which is designated as the main economic and political strategy by the current local growth paradigm since local growth can be realized under conditions of conflictual local political processes. In this sense, it becomes plausible to claim an alternative defining feature for contemporary local growth politics rather than local coherence.

2.2. The Idea of ‘Local Coherence’: The Mainstream Tendency in the Conceptualization of Contemporary Local Growth Politics

In this section four approaches to local growth politics will be presented with a focus on their framing of the idea of local coherence. Three of these approaches are categorized under the liberal perspective and they are the *growth coalition (also named as growth machine)* approach, *urban regime* approach and the concept of *local dependence*. The last approach which is the idea of *structured coherence* belongs to the critical perspective. Although all of them address the reasons and motives behind the formation of a state of coherence among the local actors, the idea of local dependence particularly elaborates the issue. Before proceeding with the liberal approaches, a brief evaluation of the community power studies will be made since the approaches of urban growth coalition and urban regime are developed upon the theoretical tradition built by the pluralist and the elitist conceptions of local politics, which are together named as ‘community power studies’.

The first, clear body of knowledge about urban (growth) politics was produced by ‘community power studies’ which is an umbrella term used to cover a vast number of researches conducted after World War 2- mostly during 1950s and 1960s- by US scholars in order to identify the power structure in American cities. With the introduction of urban growth coalition and urban regime perspectives in 1970s, urban growth politics began to be perceived from a ‘urban political economy’ perspective. These approaches differed from community power studies with their aim to incorporate the economic and political domains in the explanation of urban policy processes. Community power studies, on the other hand, built their arguments and analysis on the assumption that political domain of local governments was an autonomous arena separated from the economic domain, i.e., the business community. In this sense, the impacts of contextual factors and external as well as internal determinants of the local policy processes have been placed at the centre of the research agenda of the urban growth coalition and urban regime approaches. Marxist theories of urban politics, among which the concept of

structured coherence partakes, which have also become highly influential during 1970s, share the political economy approach with these two approaches since they also claim the connectedness of the state and the market.

The urban growth coalition and the urban regime perspectives are mainly concerned with the bargaining process between private and public interests in defining the urban development agenda. The regime approach has especially been influential after the 1980s and it is utilized by many scholars for cross-national urban studies in order to examine the extent of convergence between countries under global economic conditions.

Prior to these two urban political-economy approaches, which have become influential in 1980s, Marxist views of urban politics have made a breakthrough in 1970s with their radical challenges to the tradition of community power studies. Unlike the community power tradition and the urban political-economy approach which have concentrated on theorizing the relation between local public and private actors, Marxist approaches to urban politics have focused on the role of local level public institutions within the wider political and economic system. As Pickvance (1995) states, the common point of divergence of Marxist writings from the other two political- economy approaches is their view that urban governments (in fact the 'local state') are a part of the state apparatus and therefore should be understood in terms of the role played by state in capitalist societies. The concept of structured coherence is among the concepts developed within this Marxist framework.

In late 1980s, the idea of local dependence emerged as another concept which gained prominence in the literature on local growth politics and still continues to be influential. By 1990s, the concept of institutional thickness has emerged within the new regionalism perspective and has become quite influential in both theory and practice. Also introduced in 1990s, social capital is another concept which can be related to urban growth literature in the sense that in a similar way to institutional thickness, it points out to the importance of mutual relations and the trust between

the members of local community as factors which positively affect localities' economic futures.

All these perspectives and concepts related with the politics of local growth, although in differing degrees, highlight the significance of coalitions for urban growth as well as seeing the formation of such growth coalitions as an inevitable response to the changing socio-economic circumstances. The concepts of social capital and institutional thickness are not included within the scope of this thesis since they do not define a framework for understanding the formation of local coherence but signify as factors which are argued to be positively correlated with the formation of such coherence.

In the previous section, it was stated that the main task of this thesis was to uncover the basic dynamics of the local growth politics and to show that the conflict rather than collaboration was the core issue signifying the process of local growth. It was also argued that these conflicts were inherent both in the relations among the different groups of the local business community and the relations between the local capital and local labor. Thus, the basic power structure in the locality and the issues around which the conflictual growth process take place should also be identified. In this sense, before elaborating on their perspectives concerning the idea of local coherence, Table 2.1. presents a summary of the approaches on the issues of basic power structure, agenda setting and decision-making process and local autonomy and local actors' relations with supra-local actors. In addition, Table 2.1. also contains a summary of the approaches' ideas on local coherence and includes the insights drawn from these different approaches as well as the critical perspective adopted in the thesis. This summary in this sense presents the thesis's theoretical approach and is thought to be a useful guide for the following literature review.

Table 2.1. Summary of The Thesis’s Theoretical Approach

Analytical Issues for Examining The Dynamics of Local Growth Politics	Premises of & Concepts in Different Approaches	Theoretical Insights Borrowed From the Approches and the Critical Perspective Used in The Thesis
Basic Power Structure in Local Politics	<p><u>Elitist Tradition</u>: Unequal access to decision-making structures/ Cumulative inequalities in the society/ Those controlling economic resources also control local politics/ Mobilization of bias.</p> <p><u>Pluralist Tradition</u>: Equal access to decision-making structures/ Dispersed inequalities in the society/ Resolution of conflicsts through the access of different groups to different decision-making structures.</p>	<p>-Unequal access to decision-making structures / Cumulative inequalities in the society/ Those controlling economic resources also control local politics.</p> <p>-Dominant values, political myths, rituals and institutional practices may favor some interests over others.</p> <p>-Resolution of conflicsts through the access of different groups to different decision-making structures is suspectable.</p>
Agenda Setting & Decision-making Process	<p><u>Elitist & Pluralist Traditions</u>: The centrality of ‘active participation’ in the analysis of local power structures.</p> <p><u>Neo-elitist Tradition</u>: The importance of indirect influence and informal networks in decision-making/ the concept of ‘second face of power’.</p> <p><u>Growth Machines & Urban Regimes Approaches</u>: Bargaining between public and private interests in defining the urban growth agenda.</p>	<p>-The assumption of ‘active participation’ contributes to the identification of actively participating actors in different local decision-making structures concerning local growth.</p> <p>-The importance of ‘informal networks’ & non-participation for the formation of the ‘insider status’ in decision-making process.</p> <p>-Not all but some of the private actors (such as local capital when compared to local labor) are able to bargain with public actors in the determination of the local growth agenda.</p> <p>-Rather than a single local growth agenda, conflictual agendas are likely to exist.</p>
Local Autonomy/ Local Actors’ Interaction with Supra-Local Actors	<p><u>Growth Machine Approach</u>: The importance of central state regulations over private firms’ investment decisions.</p> <p><u>Growth Machine Approach</u>: The impact of corporate capital on local growth politics.</p> <p><u>Urban Regime Approach</u>: The impact of national regulations/macro-economic policies on local growth politics/ The influence of the state of national economy on local growth.</p> <p><u>The Concept of ‘Spaces of Engagement’</u>: The centrality of supra-local relations for the maintenance of localized social relations.</p> <p><u>Structured Coherence</u>: The integrality of local and central state/ the interplay of economic and political forces at all scales.</p>	<p>-The integrality of the central and local state and the intermingling of the national and local level politics for local growth.</p> <p>-The centrality of central state regulations on local growth politics (legal texts, the divison of roles between different state levels etc.).</p> <p>-The effects of supra-national forces on local growth politics such as EU for Turkey.</p> <p>-The importance of the relation between the central state and the big capital for local growth politics.</p>
The Idea of Local Coherence	<p><u>Growth Machine Approach</u>: Local coalition-building around land rent/ main motive of collaboration is defined as ‘place-boundedness’.</p> <p><u>Urban Regime Approach</u>: Coalition-building through conflict-management/coalitions built on ‘bounded rationality’ and ‘mutual dependence’.</p> <p><u>The Concept of Local Dependence</u>: Localized & place-specific social relations through which local interests are pursued is central to the formation of local collaboration/ the underlying role of inter-urban competition in the formation of local unity.</p> <p><u>The Concept of Structured Coherence</u>: The production of a geographical stability which carries the contradictory dynamics of stability (fixity) and mobility (fluidity) of the capitalist growth at its core.</p>	<p>-The landed interests can only be a basis for a collaboration between a particular section of local actors.</p> <p>-Conflict-management is suspectable given the inherent conflicts between different fractions of capital and between capital and labor in the process of capitalist development.</p> <p>-Different or even the same local dependence factor can rise conflictual processes regarding local growth decisions and their consequences.</p> <p>-Although the contradictory dynamics of stability and mobility in the capitalist growth process may produce a geographical stability, this stability is likely to be a conflictual one under capital-centered local entrepreneurial logic.</p>

2.2.1. An Evaluation of Community Power Studies As Background Approaches for The Liberal Conception of The Idea of Local Coherence

The basic premise of the elitist tradition is that every human institution has an 'ordered' power system, i.e. a power structure which is the reflection of the stratification in the organization of the society (Bachrach and Baratz, 1962). Elite theory is, then, built on a hierarchical conception of society and focuses on the relation between rulers and the ruled, or the powerful and the powerless (Harding, 1995). This view leads to the idea that those who hold high social status within their communities-especially the groups or individuals who control considerable wealth, i.e. the local economic elite- is perceived to become the local political elite. Hunter (1953) states that although local public institutions play an essential role in the execution of policies, the formulation of the policies takes place outside these formal organizations. This means that there is a group of influential elite behind the apparent policy process. In this sense, 'informal networks' are seen as important factors for the formation of the insider status in decision-making process (Stoker, 1988).

Contrary to pluralist arguments about the existence of equal access to decision-making processes, the elitist approach accepts that local public authorities are unresponsive to influences from most of the citizens of the community. In other words, it is claimed that decision-making processes in local public institutions are only open to a small range of interests, particularly the 'producer interests' mainly including the actors of business associations, trade unions and professional associations. In short, the elitist researchers agree on the argument that there are cumulative inequalities in the resources available to groups and therefore few groups are able to effectively engage in political activity. Cumulative inequalities are caused by the concentration of political power in the hands of those who also have economic power (Stoker, 1988).

Contrary to the elitists, pluralist tradition assumes that in the arena of urban politics there is a 'plurality of influence'. It means that different groups and individuals can

be influential upon decisions concerning their interests or areas of operation. In other words, the pluralist approach believes that there are several interest groups which articulate different interests existing in the local community. The articulation of these different interests is thought to take place within an environment of perfect competition which means equal access of different interest groups to local governments and to other local public institutions (Stoker, 1988).

Although pluralists see the political system as differentiated in terms of the existence of various influences made by different groups on decisions, they do not reject the idea that the social and political system is stratified. Dahl (1986) accepts the 'inequality of influence' as a characteristic of all political systems. This means that not all groups and individuals are equally influential on decisions since decisions are taken by a limited number of people. Here, the ideas of pluralist and elitist traditions converge, but up to the point that pluralists attribute pluralism as a more defining feature of political systems. Rather than cumulative inequalities, pluralists believe in the existence of dispersed inequalities. Put it differently, pluralists believe in the resolution of conflicts through the access of interest groups to decision-making process one way or the other, to a greater or lesser extent.

The conceptions of power adopted by the pluralist and elitist approaches within the framework of their conceptions of the society brings about two main differences between them. In the first place, pluralists believe that there are more power bases which can be utilized by actors than identified by the elitist approach. Secondly, since pluralists focus on the ways through which the local actors employ the resources available to them, they pay attention to the processes of bargaining, negotiation, salesmanship and leadership in the mobilization of resources (Polsby, 1980). Besides, contrary to elitists' claims, pluralists argue that power distributions are not a permanent aspect of social structure. Rather, distributions of power in the society are tied to issues and since issues can be fleeting or persistent so is the distribution of power. Following this view, pluralists state that coalitions between different actors do vary in their permanency. On the contrary, elitists' stress on the permanency of the power distribution and related coalitions indicates the

introduction of systematic inaccuracies into the study of social reality (Polsby, 1980).

A common aspect between the traditional elite and pluralist schools concerning their research strategies is their belief in the necessity of political participation of actors in order to have influence or power in urban politics. In other words, political participation is regarded as the source of political power. Besides, studies of both the elitist and pluralist traditions take into account only the issues which become public issues. In other words, they do not incorporate the issue of participation for the formation of the local agenda into their research concerns. The reliance of community power studies on participation and already publicized issues are strongly related with the conception of power that they have adopted (Friedland, 1982). However, these points upon which the original community power studies built their arguments were later challenged by the neo-elitist school.

One of the most influential criticisms directed to the community power literature is made by the neo-elitist scholars of Peter Bachrach and Morton S. Baratz with regard to the conceptualization of power in these two traditions and the related research methodologies. These writers argued that power understood as the capacity which is exercised for making concrete decisions has represented only one face of power (Harding, 1995). Accepting that power can be exercised by participation in the decision-making process as the pluralist tradition has believed, Bachrach and Baratz (1962) have claimed that it is also important to consider the importance of immeasurable elements. In other words, they have claimed that power is also exercised when a group or individual tries to create or reinforce social and political values that limit the scope of the political process to public consideration. The exercise of power through non-action and non-decisions which aims to limit the scope of political process is called the 'second face of power', which is also named as 'off-stage power' or 'indirect influence' (Bachrach and Baratz, 1962; Crenson, 1971).

The one-dimensional conceptualization of power in the pluralist tradition has helped scholars to conclude that the political system is quite permeable to the influence of different groups by pointing out the neutral position held by local public institutions. On the contrary, the view of the second face of power brings about the idea of 'mobilization of bias' which means that dominant values and political myths, rituals and institutional practices tend to favor some interests over other interests (Bachrach and Baratz, 1962). This idea is based on the belief that local political leaders and institutions by their ability to enforce inaction play an essential role in the mobilization of bias (Crenson, 1971).

To sum up, direct and indirect forms of power and relatedly the choice of action/inaction or decision/ non- decision (decisional or reputational methods) as the focus of inquiry were elaborated by the elitist and pluralist traditions. Bachrach and Baratz's introduction of non-decision making as the second face of power was a challenge both to the classical elitist and pluralist views.

While community power studies offer conceptual and empirical tools for investigating inner relations of the community, they remain relatively weak with respect to the interaction of local actors with supra-local actors. Many commentators have contributed to the critique of community power studies with respect to their inadequacy about the external relations of community members. Kesselman (1974), in this sense, comments that one of the biggest problems associated with community power studies was their neglect of larger political issues. He argues that the nature of local power was obscured by their background assumption that cities were the master of their fates and by the failure to recognize that not everyone with local influence was a local resident. In other words, community power studies have failed to incorporate external components which are in fact internal elements of the local political process.

In a similar way, Harding (1995) criticizes both the elitist and the pluralist traditions for their choice of study area and subject matter for the analysis of power. His main criticism has been the neglect of the power originating outside the locality by the

community power studies since the community with clear boundaries was chosen as the unit of analysis. Harding (1995) argues that community power studies assumed a high degree of local autonomy in an unrealistic way as a result of this choice. Thus, it can be concluded that community power studies do not provide an analytical framework for incorporating supra-local relations into the study of local growth politics.

The pluralist argument stating that ‘decision-making is a process of competition and bargaining’ is a misleading argument in the sense that the actual practice of local politics is far from being appropriate for making such generalizations. Given the fact that the pluralist tradition takes only concrete decisions into account, it fails to properly evaluate the entire processes of agenda-setting and decision-making. The decision-making process can be a bargaining process for business community while it is suspicious that disadvantaged groups which have relatively less resources will have the capacity to bargain with the local public institutions or to compete with business groups. One reason behind this reasoning is the fact that business groups structurally have advantaged positions vis-à-vis other groups due to their ownership of means of production in capitalist societies. Therefore, the contributions of neo-elitist approach are quite valuable since they have proposed to include the inaction and non-decision making into the analysis of local power structure. The idea of second-face power, which highlights the importance of agenda-setting and informal networks, provides a significant insight for grasping the nature of local growth politics.

2.2.2. The Approach of ‘Urban Growth Coalition’: Local Coalition Building Around ‘Land Rent’

Basic Premises

The argument of the ‘commodification of place’ is the starting point for the urban growth coalitions approach. According to Logan and Molotch (1987), all commodities have an exchange and use value and these attributes for commodities differ according to individuals and groups. The sharpest contrast is seen between residents pursuing the use values and entrepreneurs/capitalists primarily pursuing exchange values of the commodities. The city, which is commodified by capitalist interest, is seen as the meeting ground of use and exchange values which are inherently conflictual. This conflict is argued to shape the city; a process the writers call as the ‘interest-driven social construction of the city’.

By evaluating ‘land’ as a commodity and showing its differences from other commodities, Logan and Molotch (1987) distinguishes between owners of real estate and other businessmen. They call land owners ‘modern urban rentiers’ or ‘place entrepreneurs’ and regard them as a special and privileged group in the urban growth process. In line with their critical, neo-elitist perspective, they believe that this privileged group pursue their individual goals which are concealed by the popular discourse claiming that growth is favorable for all groups in the locality. However, in reality, growth coalition, by its nature, trades off use value of the majority for the exchange value of the few. The utilization of this popular discourse is defined as the ‘ideology of value-free development’ which is constantly utilized by the growth coalition.

In sum, the growth coalition approach stresses the powerful role of the business community, which are led by ‘landed-interest’, in urban politics with a decision-making system which operates in favor of the powerful while disadvantaging the least powerful (Logan and Molotch, 1987; Harding, 1995). In other words, this approach focuses on the formation of local coalitions between place-dependent interests which directly or indirectly benefit from urban growth (Bassett, 1996). The

‘rentier group’ is assumed to lie at the heart of the process of urban development. Rentiers are defined as the group of people who try to maximize rents from their assets of urban land. Since they gain from the development of city, they try to push urban growth together with allies who are likely to gain directly or indirectly from this growth (Harding, 1995). Urban rentiers’ high commitment to local growth is explained on the grounds that their material interests are geographically rooted, i.e. ‘place-bound’ (Harding et al., 2000). The idea of place-boundedness is elaborated later by the development of the idea of ‘local dependence’ by Kevin Cox.

Allies of rentiers are described under four categories by Logan and Molotch (1987):

1. Business, which could either be place-bound or not, that benefits directly from the development process. These include real estate developers, construction interests and professional practices like architecture and planning.
2. Business that indirectly benefits from the development process since demand for their products and services is boosted by development. Local media and private companies providing urban services are included in this category.
3. Local politicians who are important in many ways for the continuation of the growth coalition. Local politicians can also be rentiers and try to enhance local development because of this reason. Besides, they can support development for favoring real estate entrepreneurs, especially the large-scale ones, since they are important sources for political campaigns, particularly in US. Local politicians serve these large-scale rentiers, for eg. by taking the construction decision of a shopping mall or business center in the locality, in the name of ‘enhancing the welfare of whole community’. Furthermore, the writers argue that an important role of local politicians in growth coalitions is their ability to influence higher-level governments and public institutions in their growth distribution decisions.
4. Actors who have local ties and who can benefit from some type of growth. Universities, cultural institutions, professional sports clubs, labor unions,

self-employed business and retailers and corporate capitalists are among such actors.

The Idea of 'Place-Boundedness'

Although not all actors of the coalition are place-bound, which is a feature defined around actors' ownership of urban land, the commitment of actors to economic growth is seen by Logan and Molotch (1987) as their main motive to unite. The desire for growth, in other words, creates consensus among a wide range of elite groups despite disagreements and conflicts between them on other issues (Molotch, 1976). Although the writers assume an internal urban conflict between the pursuit of use and exchange values, they argue that conflicting interests competing to have more control of the growth politics unite in cases of competition within other localities. Thus, an important role is attributed to inter-urban competition as a stimulating factor for coalition formation.

Although they have argued that feelings of community are boosted by growth coalitions, Logan and Molotch (1987) are also aware that there are differences in actors' relation with the locality which affect feelings and attitudes toward 'community' and actors' role in growth coalitions. Understanding actors' relationships with the locality around the concept of 'place attachment' by arguing that material and psychological use of place can not be separated from each other, Logan and Molotch (1987) identify main differences between the place attachments' of residents and corporate capitalists as follows:

1. Compared to residents, the satisfaction that capitalists derive from place is less diffuse since their biggest interest is profitability and the use of land and buildings to serve this goal (corporations' attachment to place is relatively low).
2. Capitalists or corporations have greater opportunity to move to another place, i.e., they are more mobile since they do not have sentimental ties to

family and access to schools and jobs which are regarded as constraints holding residents in a particular place.

3. Capitalists can adapt to changes more easily than residents. Factors like ethnic diversity and noise do not affect corporations at all while they are essential for residents.

Capital investors (industrialists for eg.) are regarded, by Logan and Molotch (1987), as having little concern for direct involvement in growth coalitions due to the nature of their attachment to the locality. However, rather than searching for areal growth, corporations have an interest in the continuation of growth ideology according to the writers. Logan and Molotch (1987) also argue that their contributions to the maintenance of the existing growth ideology makes capital investors, who are generally not indigenous people, respected and valuable people in the locality.

The Views on Local Autonomy

With respect to local autonomy, the stress of Logan and Molotch on the impact of corporate capital upon the nature of urban politics draws attention to the importance of different supra-local power locus in the process of local economic growth (Harding, 2009). However, unlike the classical elitist tradition, Logan and Molotch (1987) do not see local governments as subordinated to the interests of a group of business elite operating in the locality. On the contrary, as seen in the composition of the growth coalitions, local governments are one of the active actors of the coalition although they can be subject to systemic influences by some powerful groups.

The evaluation of local autonomy, concerning the division of roles between different government levels, by the growth coalition perspective shows the signs of the link which is tried to be built between local and supra-local levels. In this sense, the impact of central government decisions and regulations as well as that of investment decisions of private firms over localities is highlighted by Molotch (1976). He asserted that the investment decision of a firm is affected by central government regulations since main production factors such as cost of labor, raw

materials and transportation are directly or indirectly controlled by the government. Therefore, both governmental and business controls become essential concerns for the analysis of urban growth and its politics.

Its Critiques

The growth machine approach's definition of urban politics around urban rentiers, i.e., the place-bound land-owners, has probably received the most criticism. Such an approach is evaluated as an example of a narrow understanding of urban growth politics since it has concentrated just on one aspect of local economy and business interests: the property development (Harding, 1995). With a similar line of criticism, Cox and Mair (1989) argue that the category of rentiers is vague and poorly defined in the sense that all sorts of property interests can be included in this category. Moreover, it is stated by these writers that it is hard to specify the special group (or the certain fraction of the business community) who puts effort for local expansion to pursue their landed interests.

The separation between use and exchange values is another main line of criticism directed to the growth machines approach on the grounds that such a separation is hard to sustain (Cox and Mair, 1989). While land-owners can have use-values attached to their properties, those currently with no properties can seek for the possession of urban land which shows their interest in exchange-values. In short, dividing urban residents in terms of their pursuit of use and exchange values is analytically insufficient due to the likely overlaps between these two types of interests.

As the criticisms have suggested, identifying the main motive which pushes urban growth as landed-interests is limiting. Although place-boundedness as a factor behind the desire for local growth is an important contribution to the analysis of urban growth politics, it is not certain whether it will necessarily lead to the formation of local coalitions. Besides, in case of the existence of a local coalition, the process can possibly be directed by other interests rather than landed-interests.

For this reason, it is more realistic not to give a distinctive and steady role to landed- interests in stimulating local growth. Contrary to these limitations, growth coalition approach made a valuable contribution to the understanding of urban growth politics with its introduction of the discussion of ‘mobility vs. immobility’, which is significant to understand the behavior of various local actors (Cox, 2009).

In terms of the land speculation which ‘rentiers’ go after, Harding (1995) rightly argues that due to high levels of land speculation, urban land came to be owned less and less by local rentiers, but more by a few large firms. Therefore, it makes the central role of single-purpose rentiers in urban growth suspicious and Harding’s criticism has a plausible stance concerning contemporary urban areas. Although the increased impact of monopoly capital on urban politics is stressed by Logan and Molotch, they do not see multinational firms as having a landed- interest in urban growth. The writers assume that big corporations’ main interest is the continuation of growth ideology rather than searching for areal growth. Whether the big capital has landed-interests or not within a particular locality becomes a secondary issue given the fact growth coalitions approach underestimate the growing influence of multinational capital in shaping urban and regional relations (MacLeod and Goodwin, 1999). Although the satisfaction that is derived by different local actors from a particular place may differ and firms may have the continuation of the growth ideology as their primary concern, these comments may lead to misleading consequences about the mobility of capital. Capital is not as footloose as argued by the growth coalition approach and firms are also dependent upon some local factors which may be (Harding, 1995):

- The availability of local skills,
- The relations between employers and unions/workforce,
- Appropriate local networks of suppliers and business services,
- Access to modern communication technologies,
- The proximity of higher education institutions and etc.

Accepting that absentee-owned firms, especially the multi-nationals, are more likely to be more mobile than locally-owned firms and other local actors, it is more accurate for the analysis of contemporary local growth politics to incorporate the idea that every actor operating in the locality has some dependence to the locality. Although the kind and level of this dependence varies between different actors due to a number of factors like the number and intensity of their ties to the locality (ties can be purely economic or have some social and cultural motivations), their connections with supra-local levels and the demographic characteristics of individuals, no actor can be exempted from local dependence.

2.2.3. The Approach of ‘Urban Regimes’: The Negotiation of Conflicting Local Interests

Basic Premises

While influenced by pluralism, the urban regimes approach remains critical to the classical pluralist tradition as well as to the structural Marxist explanations to local politics which had become influential prior to the introduction of urban regime analysis. Rather than building a comprehensive theory, urban regime analysis aims to provide an intermediate level of explanation to urban politics “where attention can be directed toward effective forms of problem solving” (Stone, 2005: 333). Therefore, under the pluralist assumption of inherent diversity of urban life and politics, the main task that urban regime analysis assigns itself is the exploration of how ‘a capacity to govern emerges within the urban political arena’ (Stoker, 1995).

In particular, the likelihood of the emergence of a governing coalition under specific local conditions, the identification of these conditions, how power is pre-empted and how governing agendas are constructed are the main subject matters of regime analysis (Davies and Imbroscio, 2009). In other words, the specific focus of the urban regimes approach has been the identification of ‘conflict-management’ and ‘coalition-building efforts’ in urban areas (Stone and Sanders, 1987).

The explanation of urban political processes around coalition-building indicates the centrality of ‘bargaining’ to those processes in the urban regime approach. This bargaining process which is seen as an inseparable part of coalition building is based on the belief that in contemporary societies there are two main, interdependent sources of authority which are various organs of representative government and the ownership of private productive assets. Following this, the assumption is that (local) politics rests on the mutual benefit and support between them (Harding et al., 2000). In other words, governing coalitions are formed by associated public and private actors who have access to different resources (financial, physical, human and political) (MacLeod and Goodwin, 1999).

The formation of a governing coalition is seen as a conflictual process by the followers of the urban regime approach since they believe in the unequal distribution of resources in the society. However, they believe in the likelihood of the establishment of a coalition between conflicting interest around the issue of local growth. In other words, contrary to Peterson’s (1981) view of a unitary interest which is assumed to directly guide developmental policy, the coalition building approach starts from the assumption of diverse and conflicting interests for economic growth in a locality.

It is believed that through a process of bargaining, these different interests will cooperate within an interdependent relation. In other words, urban regimes represent the negotiation of differentiated interests of “actors who might otherwise engage in mutually destructive contestation” (Cox, 2009: 8). Due to the different bargaining and interaction processes between actors in different localities, it is believed that various urban political structures will emerge. For the urban regimes approach, this means the existence of different regimes in different localities.

Understanding coalition formation as a conflictual process which carries ‘a capacity for actors to act in collaboration’, Stone (1989: 4) defines a regime as “an informal yet relatively stable group with access to institutional resources that enable it to have a sustained role in making governing decisions”. As understood from the definition, “urban regimes are coalitions based on informal networks as well as

formal relationships” (Mossberger and Stoker, 2001: 829). As a model for explaining urban growth politics, Stone (2005) identifies four key elements of an urban regime as follows:

- an identifiable agenda addressing a distinct set of problems (encompasses ‘a shared sense of purpose and direction’ which has been operationalized),
- a governing coalition formed around this specific agenda including both governmental and non-governmental members (involves efforts of ‘interest-mediation’ and ‘coalition-building’),
- allocation of resources by coalition members for the pursuit of the agenda (the process of resource mobilization),
- a pattern of long-term cooperation between coalition members since there is no structure of command in the informal basis of coordination of the urban regimes (indicates the importance of informal ways of coordination like ‘networking’).

Local Policy Making for Local Growth

Those who control investment capital and those controlling public authority are regarded as the most important actors in the developmental process of cities in urban regime approach. This approach assumes that business firms who control investment capital do not have a single goal but a series of goals in the locality in which they invest (Stone, 1987a). This brings about the assumption that officials in these firms are quite likely to engage in local politics and governing coalitions. Besides, Stone (1987a) claims that it is difficult to talk about a common good or public interest since urban regimes and their agendas are not fixed programs which everyone agrees on. Rather, even policies which are produced by targeting public interest are seen as inescapably shaped by the interests and the perceptions of those actors carrying out the policies. In other words, public officials are not regarded by Stone (1987a) as having a clear objective of ‘public interest’ which they try to fulfill.

The behavior of public officials described as such is related to the concept of systemic power which has been the contribution of urban regime analysis to the

conceptualization of power. Systemic power, Stone (1980) argues, refers to the circumstance that officeholders, by virtue of their positions, are situationally dependent on some interests rather than others. Since this is a situational and positional dependence, systemic power that is exerted on public officials by business actors is inevitable regardless of the individual characteristics and relations of capital owners and public officers. It means that public officials make policies within a context in which strategically important resources are hierarchically arranged.

In this hierarchy, business actors are placed at the top due to the amount and effectiveness of their resources for urban growth. This results in, at the end, a separation between different social groups since public officials are more likely to favor some interests at the expense of others. The interests that are more advantageous in this sense are generally business interests with resources which significantly contribute to urban growth (Stone, 1980). In line with the idea of systemic power, Stone (1987a) argues that the intense involvement of business in development policy is not seen as a matter of dominance or prevalence over other interests but as a matter of business's contribution to the capacity of the community to enhance its well-being (Stone and Sanders, 1987). The vast capacity of business groups for contributing community well-being is related to the ownership of resources which are not just material but also include such resources as skills, expertise, organizational connections, informal contacts, and level and scope of contributing efforts by participants (Stone, 2005).

Stone's concept of 'systemic power' is also an attempt to respond to Marxist critiques of urban decision making process described by community power traditions. These Marxist critiques are concerned with the significance of non-decisions, the third face of power and ruling class hegemony⁷. These Marxist

⁷ Third face of power indicates both the non-intentional and the intentional, preference-shaping aspects of power. The belief behind Lukes (1974)'s introduction of the third face of power to complement the other two faces is that issues can be kept out of the agenda or actual decision-making not only through individual preferences but also through the operation of social forces and institutional practices (Bernhagen, 2002).

critiques simply rely on the argument that a stratified socio-economic system constrains the autonomy of urban decision makers (Judge, 1995). Stone (1980) has responded this argument by stating that systemic power differs from non-decision making, as a part of the second and third faces of power, with respect to the dimensions of 'intention' and 'situation'. This means that like non-decision making, systemic power does not necessitate direct conflict, but, unlike non-decision making, it is purely situational; both the business members and public officials may be unaware of the results of their power positions (Stone, 1980). Against the Marxist perspective, it is argued by the urban regime approach that a pattern of unplanned/ unforeseen decision-making pattern can emerge through some unconscious decisions and actions of actors and, thus, there is no master dynamic and no dominant path of development (Stone, 2005; Stone 1980). On the other hand, Stone (1980) admits the class character of community decision making which was omitted in the pluralist theories.

While systemic power as an attribute of the socio-economic system is relatively durable, the urban regime approach attempts to built a 'social production model of power' which encompasses contingent factors as well as contextual ones (Mossberger & Stoker, 2001). This model assumes that power is coalitional and that preferences and interests can change through cooperation and interaction with others (Stone, 2006; Mossberger & Stoker, 2001). The possibility that preferences and interests can change is related with the idea in urban regime approach that cooperation does not necessitates consensus over values and beliefs as well as the idea that 'bounded rationality' lies at the root of social and economic relations. Collaboration is assumed not as given but as something that could be achieved. It is in this sense that urban regimes are seen as tools for building collaboration in localities (Mossberger & Stoker, 2001).

'Mutual dependence' is seen as an essential factor which stimulates the social production of local collaborations. It assumes that membership to political community brings about the enhancement of the capacity to pursue collective aims. Besides, it is believed to contribute to the individual power capacity of each actor

(Stone, 2006). In short, although Stone (2006) asserts that, at one level, political process embodies the conflicts between powerful actors, he offers to view politics in a different way by thinking around the concept of ‘power over’⁸ which accepts that intentions and therefore preferences of actors are not fixed.

Pre-emptive power⁹, which is defined as the power of social reproduction, is peculiar to the urban regime theory and it embodies the basic premises of the regime approach to urban politics. In this respect, pre-emptive power involves the establishment of a regime and a capacity to govern and, therefore, it relies on the provision of necessary leadership. This leadership is believed to be the result of the interaction of a group of interests who are able to solve collective action problems. In this sense, this kind of leadership does not carry an ideological background according to urban regime perspective.

The Views on Local Autonomy

In terms of localities relation with supra-local levels concerning their local growth, Stone (1987a) accepts that cities are shaped by forces beyond their boundaries. In particular, he asserts that national policies provide much of the framework within which local governments operate and that national policies encourage or discourage investment decisions taken by local governments. Although the growth of localities is bound to the national regulations and the state of national economy, local politics

⁸ The distinction between ‘power-to’ and ‘power-over’ is made by Lukes (1974). ‘Power-to’, as the ability to produce effects, conceives power as a capacity, i.e., the capacity to affect others’ interests. This is the definition of power made by Max Weber and used by pluralists and early elitists. Lukes criticizes and finds this conception inadequate and inserts the concept of ‘power-over’ in order to help understanding power as a relation, not solely as a capacity. The view of ‘power-over’ refers to the relational dimension of power and it points out to the existence of power at a general level of social relations. In this sense, power-over is both relational and asymmetrical (Lukes, 1974; Morriss, 2006).

⁹ Its reliance on the separation between ‘power to’ and ‘power over’ is a distinguishing feature of urban regime approach. In the former, power is seen as a zero-sum game while in the latter power is conceived as collective and facilitative. Stone (2006) claims that two understandings of power are intertwined. The conceptualization of power as a facilitative tool indicates urban regime approach’s claim that power may become the ability to achieve a ‘governing capacity’ (Gendron, 2006).

matters since imperatives are interpreted and implemented by local governments who take local conditions into account in these interpretations (Stone, 1987a). In sum, with respect to the interaction of local forces with outer forces, according to Davies and Imbroscio (2009: 2), urban regime theory explains “how local political arrangements mediate larger-order forces rather than for those forces themselves”. In this sense, regime theory distinguishes itself both from Marxist theory which devotes itself to the explanation of larger forces governing the society and from community power studies which underestimate the impact of larger scale factors and focuses upon the local level relations in local politics.

Its Critiques

As it is clear from the review of its main premises, urban regimes approach believes in the establishment of a coalition between differentiating interests for the common interest of local economic development; i.e. the resolution of conflicts around development from which every group can derive some benefits. This coalition which has a cooperating and problem-solving capacity is seen as the backbone of the local economy. These arguments at least attracted two main criticisms. One of them is the over-emphasis on local coalitions. It is asserted by many scholars that the urban regimes approach relies too much on internal alliances of the local level which causes a neglect of the forces operating outside the local scale (MacLeod and Goodwin, 1999). Although the urban regime approach criticizes community power studies for their mere focus at the local level, the criticisms shows that it has also fallen to the same mistake by paying little attention to wider economic and political context like the national administrative system (Harding et al., 2000).

According to MacLeod and Goodwin (1999), the underestimation of the broader social and spatial forces indicates that urban regime approach only deals with the local state as a part the local coalition. These writers instead assert that it is generally the central state which sets and controls the conditions of regime formation. This criticism is related with the context of European local governments and is supported by the works of many scholars who questioned the relevance of the

urban regime model in the European political and administrative system marked by the financial and legislative dominance of the nation-state. The fact that regime theory takes decentralized American political system as empirical evidence is a potential problem for the applicability of the model to other countries, especially to those with highly centralized administrative and political systems.

For example in Turkey and many European countries, financial support from regional and national governments, more comprehensive planning controls, more public ownership of municipal land etc. are likely to affect the way business involves in urban growth politics and the leadership it provides. Studies for testing the relevance of the urban regime approach for European cities have founded that urban regimes in these cities are defined as emerging or limited when compared to those in US cities. It is argued in these studies that business participation to local coalitions in European cities is not as broad as it is in the American cities. One reason for this is the fact that business is less localized than it is in America which means that most of the local businesses are branch plants rather than indigenous firms (Mossberger & Stoker, 2001). The centralization of business is said to be reflected to the representational range of business interests in local politics. As a result, it is stated by scholars that although business groups are incorporated into coalitions, the public sector still dominates within these local coalitions (Mossberger & Stoker, 2001). Besides, it is claimed that the centralized political system induces more partisan politics at the local level and/ or the likelihood of ideological conflicts between local and central governments (Mossberger, 2009).

The weight of economic growth policy within the overall volume of local policy is another point of divergence between US and European urban political systems. It is identified by case studies that urban service provision is still predominant over local economic growth policy pursued in European cities (Mossberger & Stoker, 2001). In other words, rather than having a specific emphasis, local economic growth is seen as just one of the several policy areas by European local governments. These reservations about the applicability of urban regime approach in European cities is also valid for Turkey to a great extent. Presenting the local political and

administrative system of Turkey in the following chapter is thought to provide a proper ground for the justification of this argument.

There are different views on the relation between the indigenous local business elite and the likelihood of regime formation. Some writers argue that the establishment of a regime in cities with strong local business elite is more likely because it is argued that these indigenous local businesses are locally more dependent and more likely to push the formation of a local coalition around the aim of boosting local economic development. On the other hand, there is the view that regime formation does not necessarily require the existence of strong, resident local business elite. Moreover, some studies have shown that tangible benefits can motivate business participation more frequently than local dependence (Mossberger & Stoker , 2001).

Although we do not evaluate indigenous local business groups solely in terms of their contribution to the formation of urban regimes, we think that this category of local actors are essential and deserves more attention in the evaluation of urban growth politics. Beyond the importance given to small and medium-sized enterprises in the current literature for the production of local collaborations, we think that they have an important mediating role in the representation of larger business interests in local politics. Although big business utilizes the custody of central government upon local governments to a large extent for pursuing its local interests, we argue that their involvement into local politics enhance their overall hegemony at the local level. In this sense, we view the alliances which big business builds with local indigenous business as an important issue in grasping the nature of contemporary local growth politics.

The second point which is open to much criticism in the urban regime approach is its argument that conflicting actors have the capacity to form coalitions. In spite of its assumption that certain interests have advantageous positions in the building of a regime, the urban regime approach argues for the translation of command and systemic powers into pre-emptive power for the sake of an effective, long-term coalition which aims to achieve the common goal of local growth. It is also asserted

that actors's participation to the regime and their commitment to 'a common a sense of purpose' can be made easier through a range of incentives. Except for the introduction of 'incentives' as the explanation for the question of why actors join in local coalitions, urban regime theory do not provide further answers about local actors' reasons and motivations for participating in the local coalitions (Savage et al., 2003).

2.2.4. The Concepts of 'Local Dependence' and 'Spaces of Engagement'

The urban regime approach's deficit for convincingly answering why local actors enter into coalitions was widely criticized by many scholars. Among those, Cox and Mair (1988) developed the idea of 'local dependence' for providing a proper explanation of local actors' participation in local coalitions. Besides, they claimed that the role of local dependence of various actors is vital for understanding the contemporary restructuring of local economies around a distinctive local politics: "one which revolves around a competition among localities rather than conflict within them" (Cox and Mair, 1988: 307). Thus, the concept of 'local dependence' simply points out to the dependence of various actors (local governments, firms, workers, other local groups) for the reproduction of certain relations within a particular territory which area seen central for the locality's competitive advantage.

Dependences of local actors are in fact *localized social relations* through which local interests are satisfied and which have no substitutes elsewhere. These place-specific social relations may be directed to the persuasion of material being as well as the maintenance of sentimental requirements like the sense of belonging (Cox, 1997; Cox & Mair, 1988). The dependence of firms, for eg., is seen by Cox and Mair (1988) as a possible reason for the formation of local business coalitions to promote local economic development. In a similar way to urban regime approach, these writers argue that although local dependence is one of the antagonisms between local actors, it also "provides a basis for the suspension of conflict in favor of a solidarity within each locality: a solidarity that can then be turned against the locally dependent in other localities" (Cox and Mair, 1988: 307).

While there is a fix at the local level where people pursue their local interest (like realizing profits, wages or rents), there is also an ongoing mobility, due to the nature of the capitalist system, which creates a field of uncertainty for all of the groups. Since people establish certain local relations from which they derive values that are needed for pursuing their interests, the possibility that they can acquire this value in some other localtion creates an uncertainty. It is defined as the tension between fixity and mobility which also lies as a main theme behind the arguments of David Harvey which will be presented in the next section. In spite of the chances that exist for actors to pursue their interests elsewhere, such a shift is generally difficult if not impossible. This difficulty is mainly due to the enabling nature of local social relations that grow in time and therefore the substitution costs involved with the change of locality. Contrary to these difficulties, Cox (1997) argues that changing economic geographies threaten the realization of local interests. In other words, the increased levels of mobility change the relations of dependence.

The changing laws of value, as stated by Cox (1997), through increased flows like shifting markets and rise of competitive firms work more in favor of employers when compared to the workers¹⁰. Multinational firms, in particular, are the most advantageous employers in the sense that they enjoy multi-locality which is an effective means of reducing their local dependence by spreading risks as Cox and Mair (1988) assert. The writers also state that through the process of takeovers, multi-locality has increased among firms throughout the 20th century. Another effective strategy that firms develop for reducing the negative effects of their dependence is to intervene directly in the local economic process in order to protect, enhance or create a context that will benefit them (Cox and Mair, 1988).

Local labor markets, supplier networks, consumer markets, which are defined as exchange linkages, are seen as the localized social relations that make firms

¹⁰ Similarly, other commentators stated that, as a part of the neoliberal project, capital organizes itself between local and higher spatial scales in a way that results in the fragmentation of labor force and the sharpening of the competition among workers (Gough, 2004).

dependent on a particular locality by Cox and Mair (1988). Built-environment investments define the other possible factor which creates a firm's dependence to a particular locality. A firm's dependence to local labor markets relates with reaching the required labor force and keeping the reproduction time of labor as short as possible. Besides, labor desires this time to be shorter as well. Therefore, a basic local dependence relation is realized between employers and employees in terms of the exchange of labor power and the sustenance of labor power as expressed by Harvey (1989).

The possible difficulties which may arise from various dependence relations of local actors are tried to be overcome through 'spaces of engagement' which is defined by Cox (1997) as the place in which the politics of securing spaces of dependence unfolds. If space of dependence can be inferred as positions, which are subject to constant change, spaces of engagement includes efforts of maintaining that position. Cox (1997) argues that it is generally the case that spaces of engagement are build through wider scales than local. However, it is not a rule and spaces of engagement can be at smaller scale than spaces of dependence. Thus, the relation between spaces of dependence and space of engagement is contingent. Depending upon the interests and strategies of the actors, spaces of engagement can ben smaller or bigger than spaces of dependence. (Cox, 1997; Cox & Mair, 1988).

For example, the sub-contracting relations that big industrial firms built with small local producers refer to a local dependence for these firms. However, in most cases these firms do not solely rely on these local producers but also have relations with other producers in different cities or countries. The limitations that are likely to occur because of such local dependence are tried to be overcome through firms' strategies of widening their scope of economic relations.

Another example, in this sense, can be given from Manisa. One of the transnational firms operating in Manisa Organised Industrial Estate declared in 2004 that the firm decided to initiate a project with the aim of 'making local sub-contractors global suppliers'. The chief executive of the firm stated that "Labor costs are low, quality

is high. Manisa is in its way to become Merloni's global supplier" (Sabah Newspaper, 20.05.2004). First of all, this statement clearly shows that two of the factors that make the firm locally dependent is the low costs of labor and the high quality of the products provided by the supplier industry in Manisa. The firm which utilizes these two important features of the locality for its production wants to maximize its benefits by increasing the number of its suppliers in the locality. Secondly, as a multinational firm which already enjoys the benefits of multi-locality, the firm itself wants to become 'locally more dependent' in order to further its benefits from Manisa. It is important at this point to assert that local dependence is not solely constraining. Rather it may also be enabling. In this case, the firm is likely to have more control over the supplier market in Manisa which would provide an advantage vis-à-vis other main firms.

As one of the most essential points about spaces of dependence and spaces of engagement is that the scope, the form and the number of these spaces vary according to different actors as Cox (1997) states. Actors can have multiple dependence relations in a locality while the extent and scope of these relations varies across different actors. Thus, the idea of local dependence also covers the assessment of the scale at which the actors are locally dependent, i.e. actors' relative dependencies (MacLeod and Goodwin, 1999). In sum, in order to evaluate actor's dependence to a locality, it is necessary to look at the number of dependence relations, the extent of these relations that usually go beyond the locality (like the region and the nation state) and the intensity of these relations which are balanced with spaces of engagement.

2.2.5. The Concept of ‘Structured Coherence’

One of the most influential writers in urban politics literature from a Marxist perspective, Harvey (1989) asserts that while actors have conflicting interests around issues like land use, local economic perspective, local government spending, identity formation etc., they also build alignments. It is argued that these alignments can be long lasting or temporary depending on the issue at stake and the actors involved. Alignments, which are not seen as static like conflicts, are theorised by placing them within the capital accumulation process. The temporarily stable state in a locality within the dynamic process of capital accumulation is called as ‘structured coherence’ (Harvey, 1989).

Therefore, the capital accumulation process are placed at the background of the idea of structured coherence. In this sense, it is useful to have a glance at Harvey’s ideas about the relation between localities and the capitalist accumulation process. For Harvey (1989), the inherent contradictions of capitalistic accumulation process are determinant in spatial development of urban areas. The main contradiction within the process of capital accumulation is defined by him as the one between ‘fixity’ and ‘fluidity’. It means that while capital needs fluid movements over space stemming from the fact that exchange of goods and services requires a change in location, it also needs some spatial fixes which are vital for accumulation. Therefore, while there is a flow of capital from one sector to another and from one place to another, there is also a search for advantageous fixes/locations. This search is defined as the main motive behind the continuous competition between capitalists. Making use of the advantages of localities gives a monopoly power to capitalists since privileges of that locality (access to raw materials, to intermediate products, services, social and physical infrastructures, to final markets and to labor supplies) are enjoyed only by the capitalists who invest in that locality (Harvey, 2003; Harvey, 1989).

The notion of ‘spatio-temporal fix’ has two meanings according to Harvey (2003). One of them refers to capital that is fixed in space for long periods of time and state

has an essential role in the formation and continuation of some of these fixes as exemplified in social expenditures like health and education infrastructures. The second meaning of the term indicates the temporary resolution of capitalist crises by way of either temporal deferral (temporal displacement) or geographical expansion (spatial displacement). Geographical expansion is inevitable when surpluses of labor or capital can not be absorbed internally within the region or the nation state (Harvey, 2003). However, capital that is fixed in a locality is, in a way, a barrier for the realization of a new spatial fix in another locality according to Harvey (2003). This contradiction between stability and mobility as a determinant feature of capitalist accumulation processes has also been a base for Cox's ideas of the spaces of dependence and spaces of engagement.

Utilizing the advantages of localities in terms of local labor markets or locational advantages requires fixing some spatial investments to that locality/urban region. These includes transportation and communication networks, factories, schools, hospitals, consumption spaces like shopping centers etc. In other words, "fluid movement over space can be achieved only by fixing certain physical infrastructures in space" (Harvey, 2003: 99). This fixed capital, named as 'built environment', plays an important role in the production of regionality (Harvey, 2003; Harvey, 1989).

Harvey (2003) defines region as "a relatively stable spatial configuration" within the process of capitalist accumulation that has the contradictory dynamics of stability (fixity) and mobility (fluidity) at its core. He, in fact, introduces the notion of 'structured coherence' when he mentions about the 'production of regionality' within the search for a spatial fix (Harvey, 2003). Therefore, according to Harvey, structured coherence is a state that an urban economy tends to achieve. It is "defined by a dominant technology of production and consumption and a dominant set of class relations" (Harvey, 1989: 126). Structured coherence is, then, an attempt to achieve a geographical stability or a 'spatial fix' under conditions of capital mobility for extracting the surplus values of localities (Duncan and Goodwin, 1988). One of the contributions of structured coherence, which is defined within the

scope of regional spatial configuration, is its explanation of political stability on a metropolitan scale. In this sense, it overcomes the existing problem in urban regime approach which conceptualizes urban growth politics within the boundaries of a single local government (Cox, 2009).

The content of structured coherence is defined as including work satisfactions, standart/quality of living, social hierarchies like authority in workplace and status systems of consumption and all the sociological and psychological attitudes toward working, living, entertaining and the like. In other words, this geographical stability called as structured coherence includes all the physical and social conditions of life for business to operate and people to live and work (Duncan and Goodwin,1988). More concretely, forms and technologies of production, inter-firm linkages, patterns of labor supply and demand, physical and social infrastructures and patterns of life and consumption all interact to produce this structured coherence which is unique for each locality. It is unique since combination and interaction of these elements change from locality to locality (Duncan and Goodwin, 1988).

Physical and social infrastructure, i.e., built environment, foster the tendency toward structured coherence within an urban area. In this sense, urban area gain another definition, besides being “the geographical labor market within which daily substitutions of labor power against job opportunities are possible” (Harvey, 1989: 126). It becomes “a spatial configuration of a built environment for production, consumption and exchange” (Harvey, 1989: 145). Since pyhsical and social infrastructures are necessary both for accumulation, the reproduction of labor power and the realization of exchange relations, the creation of a structured coherence around the preservation of the value of these assets becomes relatively easy. This argument, in our opinion, indicates the importance of property relations in urban growth politics. Related with this point, Harvey (1989) argues that an essential destabilizing factor for local alliances is the fact that some actors have more interest than others in the control of spaces they occupy. Then, motivations and strategies of actors can be assumed to differ with respect to ownership of pyhsical assets of the

built environment. In other words, local dependences of actors are expected to change with reference to their ownership patterns (Harvey, 1989).

2.3. The Critical Evaluation of the Idea of Local Coherence

The local actors' positions vis-à-vis the highly mobile capital as well as other flows like labor have become the main concerns of contemporary local growth politics. In other words, how local actors react to external forces like international capital and migrants under the increased conditions of inter-urban competition has become one of the core questions of academic research in urban politics. Although having different ideological backgrounds, all the existing conceptual approaches to contemporary urban growth politics assume that local actors respond to external forces with a vision of 'territorial struggle' in Cox (2009)'s term. All of the approaches, whether have stability vs. mobility or the possibility of forming a governing coalition as their core discussions, assume that locality is the loci of 'fixity' and followingly argue that local actors produce some sort of stabilities. These stabilities may take different forms and may vary from local business traditions to more concrete local business coalitions. In short, what is striking about contemporary urban growth literature is that with the effects of the increased mobility of capital and fostered inter-urban competition, local actors are assumed to tend towards a status of coherence.

The claim that competition between localities will trigger the collaboration of local actors is partly due to the common point of the conceptual approaches of urban regime, growth machine and local dependence in the sense that they are all developed within the US context which is marked with high levels of community involvement in local politics. This is made explicit in the continuous and overt co-operation between business and local governments as Pickvance (1998) states. These three approaches all develop a framework for urban political processes with an emphasis on community politics which encompasses the core idea that local governments and different groups of community closely interact in the political processes for local growth.

The schema of urban growth politics is likely to be divergent from this proposed model in some other countries, including Turkey, where active business involvement is traditionally lower and the role of state is more central in urban growth. In other words, 'state orchestrated' collaboration of business elites has precedence over the 'activism of entrepreneurs' in countries with centralized political systems within which the state has an essential role for promoting and leading local economic development (MacLeod and Goodwin, 1999). However, it is not to assert that local economic development in centralized political systems is always initiated or orchestrated by the state but that there may be differentiated patterns regarding the involvement of central/ local states in local economic growth and their interaction in this process.

As evident from their explanations of local growth politics, the urban regime and growth machine approaches fail to incorporate the 'politics of scale' in their analysis as MacLeod and Goodwin (1999) states. Rather than seeing political economic activity as a series of situated, context-specific and politically constructed processes, for MacLeod and Goodwin (1999), the regime and growth coalitions perspectives take for granted the spatial context of their particular area of inquiry. Instead of viewing 'local' as a fixed entity, it is better to define localities as continuously redefined, contested and restructured by political processes. This commentary is essential since it underpins this thesis's main assumptions regarding the local power imbalances between different groups (including both the active participants of the growth process such as the local business community and those who are not like the local labor) and the intermingling of the central and the local level politics for the determination of the actual dynamics of the local growth process. In this sense, Cox's introduction of the concept of 'spaces of engagement' as a complementary concept for 'spaces of dependence' is mind-opening. In the following chapter, the basic channels through which the local actors connect with the national politics will be presented and party- politics and business associations emerge as the two main channels of influence in this sense. In 5. and 6. chapters, I

will try to show how local actors engage with the supra-local level politics through these channels in pursuit of their local interests.

Viewing the locality as a politically contested terrain, it was already mentioned in the introduction chapter that the analysis of the conflictual dynamics of local growth politics will be made by employing a critical perspective towards the concept of local dependence. Contrary to the sole positive meaning attributed to the local dependences of different actors to the locality, it was argued that different local dependence factors may lead to different growth agendas and thus a fragmented and conflictual growth politics. While the local labor market, supplier relations and consumer markets are primary local dependence factors for industrial firms, land ownership becomes the main local dependence factor for the agricultural capital and other landed-interests. On the other hand, local labor's dependence to a locality relates in the first place with the reach to job markets as well as other factors like getting urban services and sentimental ties, which are also valid dependence factors for all local groups. Besides these common factors, land ownership is also a factor which is not peculiar to certain groups as opposed to the particular dependence of the industrial firms to labor markets or supplier relations.

Thus, there are various local dependence factors binding local actors to a particular locality, some of which are common to all local groups regardless of their position in the economic and social structure of the locality. However, as mentioned above, for different local groups, different dependence factors have priority over the others. This priority is central to the emergence of clashing growth agendas and followingly differentiated strategies and channels for maintaining the necessary local conditions related with the main local dependence factor. To conclude, rather than seeing local dependence factors merely having enabling effects on the formation of local coherence to be built among the local actors as, the disabling effects of different local dependence factors will be also underlined in this thesis as one of the critical perspectives adopted towards the mainstream literature.

In this chapter, by developing an alternative view on the concept of local dependence and by proposing a link between the conflictual growth process and the disabling aspect of the existence of different local dependences, a challenge is thought to be directed to both the liberal and the critical perspectives arguing the emergence of local coherence or a local stability between conflictual local interests.

Moreover, although the concept of structured coherence arguing that the contradictory dynamics of stability and mobility through the capitalist growth process produce a geographical stability is plausible as a theoretical assumption, the economic history of Manisa which will be presented in the 4. chapter shows that such stability is only short-lived and thus temporary. Nevertheless, it is essential to note that the contribution of the idea of structured coherence to the analytical framework of this thesis is its division between the different fractions of local capital and local labor. In this sense, local capital can be divided according to sectors (eg. commercial & agricultural vs. industrial capital), the size of the firm (big firms vs. small and medium-sized firms) or the their 'local' characteristics (multinational firms vs. indigenous firms). Furthermore, the divisions among the local labor force may be made according to the lines of employment status, occupational position, skills, ethnical background, gender etc. The importance of these divisions rests in their explanatory power for the existence of diversified local interests.

CHAPTER 3

MAIN CONTOURS of LOCAL GROWTH POLITICS in TURKEY

The aim of this chapter is to present the essential aspects of Turkish local politics in order to prepare a background for the discussion of Manisa case in the preceding chapters. It is important in the first place to identify the national economic and political context within which the local economies operate for achieving a proper evaluation of the local growth politics. In other words, a glance at the national context and the changes associated with it is thought to provide us with the supra-local factors determinant upon the dynamics of local growth politics. Moreover, an evaluation of the Turkish economic and political context is necessary given the deficiencies of the mainstream literature to explain the local growth dynamics in all national contexts.

As mentioned in the previous chapter, the basic power structure, agenda setting and decision-making process, local actors' interaction with the supra-local actors and the idea of local collaboration were identified as the main analytical issues driven from the theoretical discussion for examining the dynamics of local growth politics. It is thought that the idea of local collaboration, which this thesis poses a challenge, can be elaborated with the incorporation of other three analytical issues. Thus, before elaborating on the case study area, this chapter will try to shed light on the tendencies in national practices around these issues.

In this sense, the period after 1980 has a special significance since the contemporary economic and political dynamics characterizing Turkish localities are shaped through the economic and political restructuring experienced since then. Two issues are crucial in the post-1980 period. One of them is the rise of a new local elite which has triggered inter/ intra-class conflicts. The second is the emergence of the urban areas as sites of direct investments of the public and the private sectors via construction activities. The local state institutions- especially the municipalities-

gained a prominent role in this process which is directly related with the creation of land-rent and its distribution.

3.1. Prominent Aspects of Turkish Local Politics In The Post-1980 Period

In the previous chapter, the evaluation of the mainstream conceptual approaches revealed that they have certain weaknesses for explaining the local growth politics in countries including Turkey where the central state has a leading role in determining the path of economic growth in localities. In particular, the federal administrative and political structure in US produced a national context which is defined by the active business involvement to local politics and by the ‘activism of entrepreneurs’ in directing local economic growth. Within such a context the local state institutions and business actors emerge as the leading actors of the local growth process and the cooperation between them are placed at the heart of the theoretical explanations for local growth politics.

On the contrary, the growth of local economies in Turkey points out to a quite different organisation between the state institutions and business actors. Rather than the active entrepreneurialism of the business actors, a state-orchestrated growth marks local economic growth in Turkey. While there has been essential changes regarding the main accumulation strategy and thus the role given to the business actors since 1980, the prominent role of state institutions is persistent in local economies. However, the post-1980 transformations in the national economic strategy and the accompanying changes in the political-administrative restructuring have caused important changes regarding the influential groups in local politics and the role of local state institutions.

In this sense, two important changes observed in the post-1980 period are central to the basic argument of this thesis about the tendency towards an increasingly conflictual local growth politics. One of them is the rise of a new group of local elite which invest in industrial sector in line with the shift of the national capital accumulation strategy towards an export-oriented industrialization. The emergence of this group of local elite has caused an obvious restructuring of the local power

structures. The withdrawal of the state from its active involvement in industrial production has led to the transfer of state resources to urban areas in the form of infrastructural and housing investments. Thus, the restructuring of the public administration in the country should be viewed through its relationship with the shift in the national accumulation strategy. Within this regard, the second essential change in the post-1980 period is the emergence of the urban areas as sites where both state and private sector investments are directed and followingly the rise of the municipalities as an important loci of power, especially for the landed-interests and the construction capital (Şengül, 2003).

The intermingling of the central and local level politics is central to the analysis of local growth politics in Turkey and therefore examining the local actors' endeavours for reaching national politics is a central analytical concern for this thesis. These endeavours were defined under the concept of 'spaces of engagement' in the previous chapter. It was also stated that in case of local business groups, the local branches of political parties and the business associations, which are both organised at the local and national level, were the two main channels. It is essential to highlight here that the exclusion of the local state from the decision-making process regarding industrial development in the localities is an important aspect of the division of roles between two state levels which affects different local groups engagement with local politics.

An examination of the laws on local governments introduced throughout the Republican Era (the first law of municipalities enacted in 1930 -no. 1580, the law of greater municipalities enacted in 1984- no. 3030, the recent law of municipalities enacted in 2005- no. 5393) reveals that the functional differentiation between the two state levels is based on central state's dominant role in the direction of the local capital accumulation process while the local state has been given the role of the provision of urban services. As mentioned above, although more authority is given to local state institutions and although they are financially empowered throughout the years, it is essential to note that they are still financially dependent on the central state and that there is a strong political influence over them by the central state.

The leading role that the central state has in the growth of local economies can also be identified from the 5-year national development plans prepared by the central government since 1963. Moreover, an examination of these plans are also essential for presenting the shift in the national accumulation strategy and the move towards a capital-centered approach regarding the operations of both the central and the local state. Thus, in order to provide insights for the evaluation of the local economic history of Manisa in the next chapter, a review of the national plans will be made in the following section.

The exclusion of the local state from the decision-making process about the industrial growth of local economies as well as the continuing financial dependence of the local state institutions to centrally- distributed resources should not lead to a quick conclusion about the interaction of the central and the local state in Turkey in the way to see the local state as a mere extension of the central state. On the contrary, the local state level has also been an important political site for the representation of the interests of different social and economic groups depending on the changing power balances in the society¹¹.

For example, in the period between 1970-1980, a leftist political party- Cumhuriyet Halk Partisi (Republican People's Party, CHP)- came into power in most of the municipalities, especially in the metropolitan cities, in spite of the dominance of right-wing parties in the parliament. Şengül (2003) defines it as a break from the

¹¹ The conceptualization of state as a social relation encompassing a certain institutionalization by writers such as Poulantzas and Jessop (Şengül, 2003) is the best way to grasp the differentiation between central and local state in terms of the roles they perform and the characteristics of politics peculiar to them. The approach introduced by Duncan and Goodwin (1988) views the inner differentiation of local state within the framework of the unevenness of capitalist development and this also offers a useful framework. Local state seen as an outcome of the uneven development of capitalism offers proper grounds for the explanation of the functional and territorial differentiation between the different state levels as well as the apparent tension between local and central state. Thus, local state should be understood both as an agent of central state by implementing the policies imposed from the top while it is also the main site through which local groups pursue their interests indicating the social relation aspect of the conceptualization of the state (Şengül, 2003).

existing local political structure, which was marked with the dominance of the small- entrepreneurs (the small commercial and the agricultural capital) since the establishment of the Republic, and as the representation of the interests of the working class and the urban poor which were concentrated in big cities due to the migration flows since the 1950s at the local level.

It is important to note here that the municipality of Manisa has always been dominated by right-wing parties, even in periods where the leftist CHP gained superiority in the national parliament. Besides, it is seen that in the period between 1970-1980 which was marked by CHP's emerging power at the local level, the victory of Adalet Partisi (Justice Party, AP) was seen in the mayorship and municipal council membership positions in Manisa. The dominance of Demokrat Parti (Democrat Party, DP), the predecessor of AP, is also seen in the results of general elections. These results bring out two essential points for the analysis of local growth politics in Manisa.

One of them relates with the opinion that the interaction of the central and local level politics in Turkey can not be viewed on the grounds of an absolute dominance of the central state over the local state. In other words, rather than being mere extensions of the central state and thus reflecting the schemas of the interest representation at the national level, the local state has been a political site representing the powerful local interests. In relation with this, the dominance of the DP and AP, around which the small-commercial and agricultural capital interests are organised as Tekeli (1992) states, and the right- wing parties following its political tradition in Manisa points out to a settled local political culture marked with the powerful position of the small- entrepreneurs in Manisa's local politics. In this sense, the resistance by the small-commercial and agricultural capital to the changing composition of the local capital in Manisa through industrial growth is a determinant and peculiar aspect of the local growth politics in Manisa. This is clearly reflected in the struggle for the Manisa Organised Industrial Estate's (Manisa Organize Sanayi Bölgesi, MOSB) administration to be elaborated in Chapter 5.

Bearing this point in mind, as stated before, the shift in the national accumulation strategy is central to the restructuring of the local power structure in Turkish cities as it led to the emergence of new powerful local actors. It is identified that there has been a transformation in the local power structures which is observable in the membership structures of the municipal councils, especially in metropolitan areas¹² after 1970 (Erder & İncioğlu, 2008; Şengül, 2003). Furthermore, the restructuring observed in the local power structures is more obviously identified in cities where the industrial capital has gained superiority beginning from the first years of 1990s.

In this sense, Turkish scholars examining the emerging industrial cities like Denizli and Gaziantep have pointed out to the rise of a new local elite and the transformation that this triggered in the local power structures. Within this regard, Eraydın (2002), although focusing on an evaluation of these cities in terms of their economic compatibility in the global markets via adopting the framework provided by the mainstream development paradigm, has mentioned the diversification of local industrial capital's interests after the initial growth phase during which strong collaboration between firms were observed. It was stated that the fragmentation of industrial capital's interests and the differing growth strategies of different sized-firms were reflected in the reorganisation of the existing business associations (the separation of the local Chamber of Commerce and Industry into two distinct Chambers as the Chamber of Industry and Chamber of Commerce) or the establishment of the new ones (the organisation of businessmen around different voluntary associations and different identities like the Islamic identity).

Bayırbağ (2007) makes similar evaluations in Gaziantep case by pointing out the rise of a local industrial bourgeoisie by the 1990s due to the shift in the national accumulation strategy through export-oriented industrialization and the emergence of a restructuring regarding intra/ inter-class balances. Besides, it was also

¹² The results of the study on the economic profiles of the municipal council members of the İstanbul Greater Municipality showed that there was an obvious rise in the share of members who are engaged in construction, manufacturing and commercial activities after 1980. On the other hand, the share of the small- tradesmen and workers has considerably fallen (Erder and İncioğlu, 2008).

mentioned that in Gaziantep case, this restructuring was observed through the increasing rivalry between the industrial and commercial fractions of local capital as well as the one between the small and big capital. Although I disagree with Bayırbağ (2007) arguing that these diversified and clashing capital interests were dissolved by the building of a local corporate regime under the leadership of Gaziantep's local chamber of industry, the observations made about the emerging conflicts between different fractions of capital and among the industrial capital are remarkable. Because similar conflicts which will be presented in detail in the following chapters are also identified in Manisa case.

When evaluated together with the observations made on Denizli, it is identified that the changes in the national accumulation strategy have resulted in similar conflicts among the local capital. Contrary to the existence of similar observations on the local capital, this study diverges from those mentioned above with its argument about the conflictual nature of local growth politics and its attempt to adopt a wider perspective which tries to incorporate the consequences of local growth on the local labor and to evaluate the position of the local state in the restructuring of the local power balances.

3.2. The Central and Local State In Local Economic Growth

It was already stated that in the Turkish experience, the local state should not be seen as a mere extension of the central state in terms of interest representation. However, it should be noted that the central state has superiority over the local state in the organisation of the public administration system as a whole. The continuing financial dependence of the local state on the centrally distributed revenues and the political and administrative tutelage that the central state has upon the local state indicate that the central state holds the main administrative and political power (Keleş, 2006).

The dominant role of the central state is made explicit in the growth of local economies. This stems from the functional differentiation between the two state levels. It is seen that from the beginning of the Republican Era, the local state was

given the role of providing urban services and in this way preparing the necessary environment for the reproduction of the labor force while the central state has undertaken the role of providing the necessary infrastructural and financial services for the continuation of the economic activities (Adıgüzel, 2009; Keleş, 2006). Moreover, it is also essential to note that the infrastructural investments for the provision of urban services are mainly realized by the central state initiatives.

The central state's leading role for directing and supporting economic activities is evident from the 5-year national development plans prepared by the State Planning Organisation since the 1963. These plans define the basic framework for the spatial development of the industry in the country and the allocation of state resources (in the form of incentives, subsidies, credits etc.) to the private sector. It is thought that an evaluation of these plans would be useful for identifying the effects of the supra-local actors' on the growth of local economies. In particular, the changes in the spatial-economic strategy of the central state and the role given to local actors (especially to the local state institutions and to local capital) in the implementation of the new strategies are determinant upon the nature of local growth politics. In other words, the issues dealt with in the previous section will be presented in more detail in a historical perspective.

In this sense, Table 3.1. presents the economic-spatial development strategy adopted in each plan. It is seen that the provision of necessary infrastructure for industrial investments is a basic component of the development strategies and is a role performed mainly for the central state. Organize Sanayi Bölgeleri (Organised Industrial Estates, OSBs) which were introduced before the national development plans, were the most important policy tool in this sense.

Table 3.1. The Economic-Spatial Development Strategies Adopted in National Development Plans

The 1. Five Year Development Plan	1963 - 1967	The Provision and Enhancement of The Basic Infrastructure for Economic Development and Social Welfare
The 2. Five Year Development Plan	1968 - 1972	Introduction of ‘Growth Centers’; Encouraging the Private Sector For Industrial Investments
The 3. Five Year Development Plan	1973 - 1978	Introduction of The Primary Growth Centers; Industrial Policy Focuses on the Production of Intermediary Industrial Goods and Targets Less Dependence on Exported Raw Materials
The 4. Five Year Development Plan	1979 - 1983	Emphasis on The Use of Local Resources and Bringing out the Local Potentials
The 5. Five Year Development Plan	1985 - 1989	The Creation of ‘Functional Regions’; Export-Oriented Industrial Production; The Focus on the Provision of Infrastructural Services and Housing
The 6. Five Year Development Plan	1990 - 1994	Regional Development Policies Affected by the EU Accession Policies; Increased Infrastructural Investments and Incentives For the Enhancement of Manufacturing Industry
The 7. Five Year Development Plan	1996 - 2000	Focus on The Integration With The Global Economy; The Emphasis on The ‘Regional Projects’ For National Integration to Global Economy; The Emphasis on The Need for Structural Changes Regarding Industrial and Technological Development, Taxation, Agricultural Policies, Infrastructural Services and Public Administration System
The 8. Five Year Development Plan	2001 - 2005	The Centrality of ‘Competitiveness’ in Industrial Production; Reliance on Regional and Provincial Plans For Socio-Economic Development; Emphasis on The Need of Structural and Institutional Changes in Economic Policies and Public Administration System
The 9. Five Year Development Plan	2007 - 2013	The Centrality of ‘Competitiveness’ and ‘Integration to Global Markets’ in Industrial Production; Emphasis on ‘Information Society’ for Economic Development; Definition of ‘Regional Development’ as The New National Strategy For Economic Development

Source: Ersoy (2010); www.dpt.gov.tr

A striking break is identified in the national accumulation strategy in the 4. Plan period and this was the shift from an import-substitution toward an export-oriented industrialization regime. While the common themes in the first three plans were the cooperation of the public and private sectors for industrial growth and a nation-wide development target with the concern of diminishing regional inequalities, the 4. Plan puts emphasis on the centrality of local capital in the industrialization process of localities and on “regional development policies”. In other words, the 4. Plan indicated the commencement of the gradual withdrawal of the state from its direct involvement in industrial production and the increasing centrality of private capital for local economic growth. As a part of the regional development policies, which was introduced as the new spatial organisation of the changing national accumulation strategy, the emphasis on relying on local resources and the encouragement of the local capital to make use of these resources was made for the first time in the 4. Plan period.

It is seen that although the state was opting out from direct involvement in industrial production, its central role for local economic growth has continued in the form of a coordinating function for the utilization of local resources. The ‘Councils of Regional Coordination’, which were proposed to be established in line with the weight given to regional development policies, were headed by the Governors while the three main member institutions of these councils were defined to be the Governorship, the municipality and other state institutions organised at the regional level. The appointment of the Governors as the head of regional councils and the role of the State Planning Organisation for enabling the coordination among the council members indicates the maintenance of the central state as the dominant actor in localities’ economic growth. Another conclusion that can be drawn in this regard is the importance of the links that the local capital builds with this strategic actor for gaining strong positions in the local power structure.

The 4. Plan makes a clear statement about the existing structure of local politics by seeing the dominance of small- entrepreneurs (who mainly have accumulated wealth through commercial and agricultural activities) in the municipal councils as

a drawback for the realization of the new accumulation strategy which requires entrepreneurs who can transfer capital to the industrial sector. It was stated that both the municipal and provincial councils were far from reflecting the changing power balances in the society towards the increasing weight of industrial and construction capital. While the export-oriented economic strategy led to the emergence of a new local industrial elite in the economic structure of the localities, it was accompanied by the construction capital's increasing activity in the localities.

The lack of a municipal model which can efficiently manage urban areas, can have a control over urban growth and perform the role of resource-generating local public authorities were seen as the other main problems regarding the most important local state actors in the urban areas, i.e. the municipalities. The 'limits over local autonomy' was defined for the first time in national development plans by the 4. plan. The lack of own resources for municipalities, the financial dependence of municipalities to the central state and the strict political tutelage over them were identified as the reasons behind the limited local state autonomy. In particular, the preparation of the development plans of urban areas by the Ministry of Public Works and Housing was given as an example indicating the restricted local autonomy of the municipalities vis-à-vis the central state. Thus, the plan targeted the transformation of the municipalities into self-sufficient, productive and resource-generating local public institutions. As stated before, these claims about the need of a transformation of the local state institutions towards more autonomous institutions were directly related with the changing local power balances due to the shift of the national accumulation strategy as well as the state's changing role in local economies.

In parallel with the previous plan's claims for the need for the restructuring of the local state, 5. plan targeted the realization of the municipal investments by their own financial resources and introduced the privatization of municipal services as the main policy tool for enhancing the revenues of the municipalities. This policy tool was justified on the grounds that some urban services were not profitable and thus a burden on the municipal budgets. However, rather than the enhancement of

the municipal resources, the privatization of municipal services has actually brought about the drifting away of the municipalities from their traditional urban service provision roles since it was an important means of transferring financial resources to the private sector.

The centrality of the concern for the supra-national actors in the formulation of the national economic policies is the most significant aspect of the 6. Plan regarding the local economies. It was stated that regulations regarding foreign capital would be redesigned in a way to enable foreign capital movements in the broadest possible way. Moreover, it is identified that the regional development policies, which also had a central role in spatial development policies in the previous plan, were largely affected by the EU Accession Policies. The national economic strategy for attracting foreign capital has found its implication in Manisa where the investments of foreign firms began by the first years of the 1990s. In the previous plan period, although several problems were identified with the profitability and the management of the state-owned enterprises, they were still seen as the backbones of the industrialization in the country. However, this plan introduced a sharp turn and proposed that the privatization of state-owned firms should immediately be put into practice. It was clearly stated that one of the main targets of the plan was to ensure an economic growth led by private sector investments while the public sector is defined as regulatory and guiding rather than being an active agent directing the path of industrialization in localities.

The 6. Plan can be regarded to indicate another turning point in the national development plans with its specific emphasis on the dynamics of the global economy and the importance of the foreign capital for economic growth. It is seen that the 8. Plan carried this concern to a stronger level and define global competitiveness and the increased inter-urban competition as global tendencies which shape the current industrialization process in Turkey. Following this statement, it was put forward that the increasing global competitiveness enforces changes in the economic developmental strategy through a regional/ local emphasis. In other words, the economic and political-administrative structure of the country

was proposed to be reshaped on the basis of the requirements of the increasingly mobile capital. Within this framework, local entrepreneurialism under conditions of inter-urban competition was defined as the basic strategy that the regions/localities should adopt and that local politics should be based on.

The development model based on the entrepreneurialism of the local actors, the utilization of local resources and the enhancement of local potentials was maintained in the 9. Plan as well. In this sense, the introduction of the law of Development Agencies in November 2006, the rearrangement in the regional administrative organisation made about the construction of 12 Level- II Regions and the enactment of new laws within the public administration reform were presented as the actions taken in the previous plan period for preparing the grounds for this development strategy.

Contrary to the differences in development perspectives of the plans before and after 1980, a common aspect of all the plans is the primary role given to central state institutions in directing the economic growth in localities. Even in the new model based on regional development agencies, which incorporate the direct participation of local actors to the growth decisions, the central state is the controlling and guiding agent. To sum, local state is not defined as an active actor shaping the industrial growth in localities. Rather, the local state institutions, especially the municipalities, has been placed at the heart of land-development and construction activities which involve the production and distribution of land-rent.

All in all, an evaluation of the national development plans prepared in the post-1980 period reveals that there was an increasing tendency towards a capital-centered approach regarding the operations of both the central and local state institutions. From the main roles that the central and local state perform in localities, two essential insights can be drawn for the analysis of local growth politics in Manisa. One of them is the primary role that the central state has in the (industrial) growth of local economies and therefore the significance of the connections that the local business actors have at the level of national politics for reaching centrally-allocated

resources as well as securing and/ or enhancing their positions in the local economic and political structure as observed in the struggle for the administration of the Manisa OSB.

While the central state has been the main loci of power to which the local industrial actors direct their attention for pursuing their interests, it is seen that landed-interests and the construction capital engage themselves with the local state institutions, especially with the municipalities, as these institutions has become central for the generation and distribution of land-rent in the post-1980 period. The incidence of Manisa Ortak Girişim Grubu (Manisa Common Entreprise Group, MOGG) which is organised as a public-private partnership under the leadership of the Manisa Municipality is a clear example in this sense. When the primary role that the central state has in the local industrial growth and the centrality of the local state for landed-interests are evaluated together, it emerges that the national accumulation shift in 1980 and the restructuring of the local economic and political structures accordingly has produced a local picture which is characterized by an apparent dissociation of the local capital interests with different loci of power as their focus of attention.

3.3. The Role of Small- Entrepreneurs in Local Politics

The discussion in the previous sections has shown that after 1980, the economic and political structure of the localities have been diversified with the emergence of a new industrial elite and the rise of the construction capital and the landed-interests as powerful local actors. It was stated that the decision-making structure regarding industrial growth has placed the central- state as the primary loci of power for the industrial interests and the local business chambers and the local branches of political parties are the two main channels through which these interests are carried to the national level.

One of the grounds for the first municipal law numbered 1580 was put forward as the incompatibility of local governments to the modernization of the country which for Tekeli (1992) indicates the position of local governments, which were

dominated by local small entrepreneurs (small commercial and industrial capital), outside the control of the central government and the emerging new, big bourgeois. It is understood that small tradesmen and artisans were dominating the local governments by the first years of Turkish Republic and that the municipal law aimed at taking these local political forces under central state control. In other words, these local small entrepreneurs, who were considered as conservative and opponents of modernization, were seen as a threat to the transformation targets for the Turkish society (Tekeli, 1992).

In 1950s, with the changes in the legal political structure of the country (the introduction of a more democratic political party law and the cease of the ‘one party rule’) and the following change of the ruling government brought about the revival of the small entrepreneurial activity in the municipalities. The revival of the dominance of small commercial and industrial capital in local politics was not enabled through the amendments in the existing legal structure but through the de facto implementations of the DP government. As the small entrepreneurs took back their power in local politics, it is seen that the main contours of the relation between state and capital has become clear in the sense that national politics has been more associated as the level in which big capital engages whereas local politics was regarded as the arena where small capital pursues its interests (Tekeli, 1992).

Manisa as a locality whose local economy is centered around agricultural production has always been dominated by DP and its successor AP. As seen in Table 3.2, until the general elections of 1983, the DP was by far the strongest political party in Manisa, even in the elections in which Cumhuriyet Halk Partisi (Republican People’s Party, CHP) became the winning party throughout the whole country. Thus, the powerful position of the small entrepreneurs in local politics which is empowered by the DP’s political tradition is quite likely to be observed in Manisa. A similar result is also seen in the local elections in Manisa. Table 3.3 shows that mayorship positions have always been occupied by the candidates of the rightist parties. Moreover, it is seen that these parties has outweighed in the municipal councils formed in Manisa in different election periods.

Since decisions which are directly related with the pursuit of their interests are generally taken at the municipal level, these small tradesmen and artisans highly engage in local politics through active participation (Tekeli, 1992). Capturing the key decision-making sites related with their interests in the locality is a central motivation behind the organisation of political parties' local branches¹³. Thus, the competition among political parties in order to gain the control of the municipalities is closely linked to the competition for taking the control of local chambers around which small commercial and industrial capital organise around. In other words, local branches of political parties are under the control of local groups of small-tradesmen and artisans who through this control become influential in the municipal councils (Tekeli, 1992).

¹³ The similarity between the hierarchical organization of the state and the political parties act as a facilitator for the relation between political parties and state institutions. In particular, local branches of political parties are essential means in order to carry the local interests to local state (Şengül, 2003).

Table 3.2. The share of The Political Parties in General Elections for Manisa Province (1954-2007) (%)

Year	Turkey	Manisa Province	Year	Turkey	Manisa Province
1954	DP- 57,50 CHP- 35,29	DP- 64,54 CHP- 32,39	1983	ANAP- 45,14 HP- 30,46 MDP- 23,27	ANAP- 42,95 HP- 30,40 MDP- 26,65
1957	DP- 47,91 CHP- 41,12	DP- 57,31 CHP- 33,48	1987	ANAP- 36,31 SHP- 24,74 DYP- 19,14	ANAP- 33,40 DYP- 28,01 SHP- 23,57
1961	CHP-36,74 AP- 34,80 CKMP-13,96 YTP-13,73	AP- 60,04 CHP- 32,67	1991	DYP-27,03 ANAP- 24,01 SHP- 20,75 RP- 16,88 DSP- 10,75	DYP- 37,31 ANAP- 23,12 SHP- 20,43
1965	AP- 52,87 CHP- 28,75	AP- 65,20 CHP- 25,06	1995	RP- 21,38 ANAP- 19,65 DYP- 19,18 DSP- 14,64 CHP- 10,71	DYP- 26,71 ANAP- 19,76 DSP- 17,98 RP- 13,15
1969	AP- 46,55 CHP-27,37	AP- 57,79 CHP-27,99	1999	DSP-22,19 MHP-17,98 FP-15,41 ANAP-13,22 DYP-12,01	DSP- 25,29 MHP- 21,00 DYP- 19,06 ANAP- 10,63
1973	CHP-33,29 AP- 29,82 DP- 11,89 MSP- 11,80	AP- 42,32 CHP-31,43 DP- 10,87	2002	AKP- 34,43 CHP- 19,41	AKP- 30,14 DYP- 19,16 CHP- 17,62
1977	CHP-41,39 AP-36,89	AP-48,64 CHP- 38,66	2007	AKP- 46,58 CHP- 20,88 MHP- 14,27	AKP- 40,94 CHP- 20,63 MHP- 19,31

Source: www.tuik.gov.tr; www.yerelnet.org.tr

Table 3.3. The Share of Political Parties In Local Elections For Manisa’s Provincial Capital (1963-2009) (%)

	Mayorship	Council Membership
1963	AP- 74,85 CHP- 23,56	AP- 77,45 CHP- 22,55
1968	AP- 71,23 CHP- 23,11	AP-68 ,25 CHP- 23,55
1973	AP-41,79 CHP- 32,09	AP- 48,97 CHP- 37,91
1977	AP- 49,42 CHP- 46,27	AP- 48,11 CHP- 45,62
1984	ANAP-55,47 DYP-19,92	ANAP-54,18 DYP-19,75
1989	DYP-34,94 ANAP-16,96	DYP-34,6 ANAP-17,48
1994	ANAP-25,47 DYP-24,54 RP-20,6	ANAP-25,32 DYP-24,77 RP-19,93
1999	ANAP-24,29 DSP-21,19 MHP- 18,34 DYP-14,8	DSP-21,76 ANAP-21,43 MHP- 19,28 DYP-14,4
2004	AKP-37,73 ANAP-21,02 DYP-18,17	AKP-38,45 ANAP-18,57 DYP-17,04 CHP-10,16
2009	MHP-38,3 AKP-34,9 CHP-13 DTP-5,7	MHP-35,4 AKP-34,7 CHP-14,9 DTP-5,8

Source: www.tuik.gov.tr; www.yerelnet.org.tr

The close relation between the local chambers of small entrepreneurs and local politics is realized in two main ways. One of them is through chamber members' engagement in the local branches of political parties (generally by having leadership and administrative positions) and the other is through the election of chamber members as municipal council members (Tekeli, 1992).

Local chambers are by law business organisations which are authorized to set the prices of the products and the services that the small entrepreneurs produce and provide. However, for example, in case of transportation fees, the related local chamber is bargaining with the municipal power. The critical point here is that through the local chambers's control over local politics, the municipal decisions are largely affected by the interests of small tradesmen who are organised around these chambers.

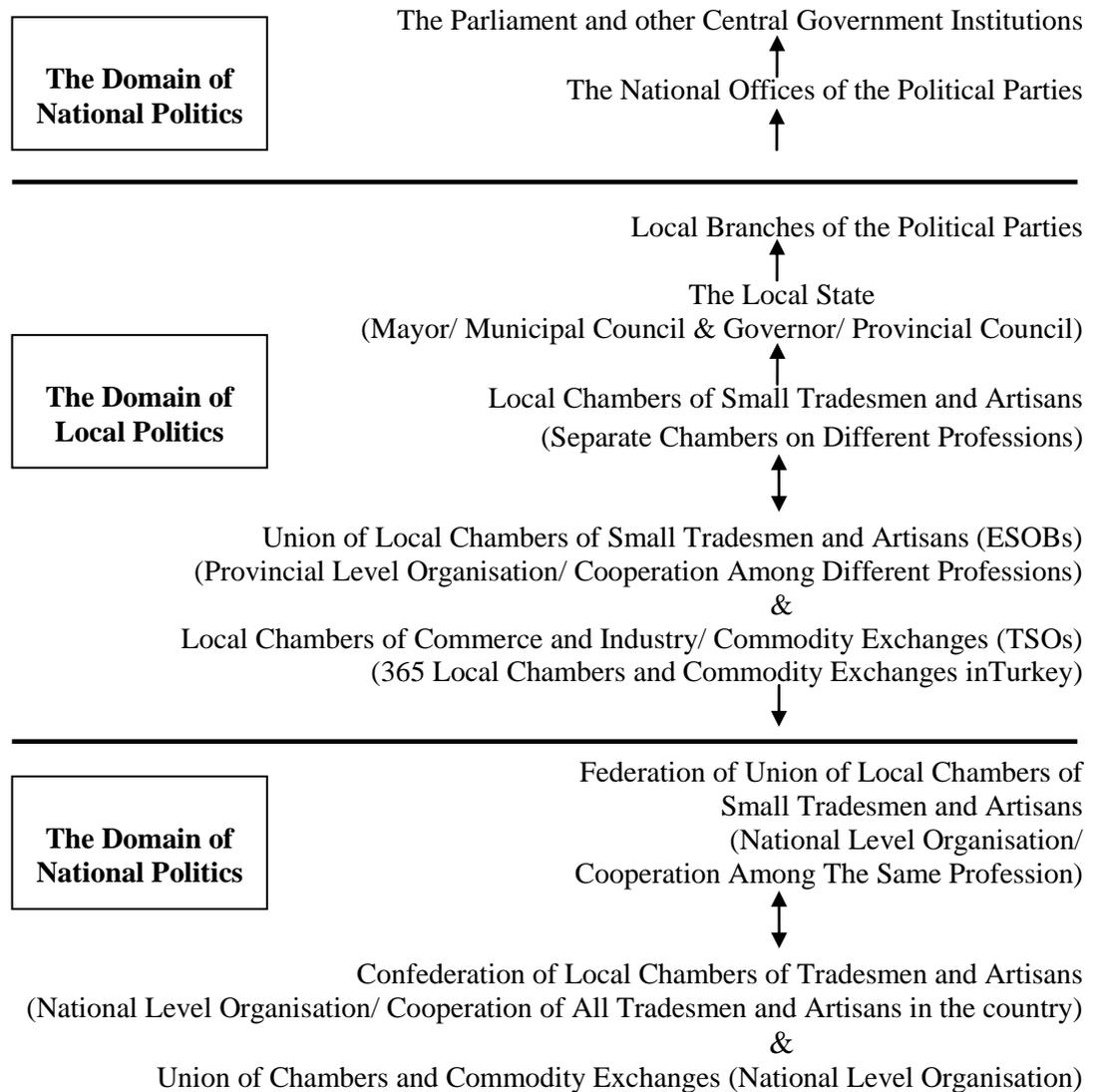
In the case of Manisa's industrial development, the MOSB's expansion decision taken by the MOSB administration under the rule of Manisa Ticaret ve Sanayi Odası (Local Chamber of Commerce and Industry of Manisa, MTSO) with hardly any voice of the municipality is another example indicating the powerful role of local chambers in local growth politics. Therefore, local chambers' influence in local politics is not restricted to their control of the municipality but also realized through the legal authority they hold for the control of strategic institutions like the OSBs in Turkey.

The prominent features of the Turkish local politics refers to a power structure in which those groups controlling the economic resources also have superior control in local politics. Thus, rather than the pluralistic argument stating that there is equal access to local decision-making structures in localities, the elitist argument asserting the existence of unequal access to these structures is better suits the Turkish case of local politics. In this sense, it is possible to argue that the resolution of conflicts through the access of different groups to different decision-making structures as advocated by the pluralist approach is not valid in Turkish local politics. It is particularly the case when the politics of local growth is considered since not only

the municipal councils but the OSB administrations are under the control of the local chambers. In cities where the local chambers transferred the OSB administration to the OSB industrialists and thus where the dominance of the gentry in local growth politics is broken by the interference of big capital, the unequal access to decision-making still persists as the growth politics is led by the economic elite.

As an attempt to summarize the issues mentioned in this section, Figure 3.1. provides a basic framework for the organisation of local politics in Turkey.

Figure 3.1. The Organisation of Local Politics and Its Main Institutional Actors in Turkey



Source: Tekeli, 1992; www.tesk.org.tr

While small capital dominates in local politics, big capital is seen to target the national state level¹⁴ and therefore to engage in national politics in order to pursue its interests. For being powerful at the local level, it is necessary for big capital to have an influence at the national level (Tekeli, 1992). This supports the argument raised by the growth machines approach about big capital's reluctance to engage in local growth politics when compared to that of the small entrepreneurs. However, this reluctance does not only stem from the domination of local politics by small capital but also from the fact that the pursuit of the interests of big capital exceeds the scope of local politics in Turkey.

3.3. Conclusion

Although the scope of the authorities of the local state institutions have been enlarged and they have been equipped with more financial resources, the central state continue to be the main political level where the growth decisions for localities are taken and most of the resources are distributed. Within this structure, one of the main aspects of local politics emerge as the competition for centrally distributed resources (Eraydin, 2002). While at one side, localities compete with each other at the national level (like in the case of site selection for OSBs during 1960s when local actors lobby central state for their localities to be chosen for the establishment of Turkey's first OSBs), on the other side, the power struggles between the local actors- in particular the competition for controlling local resources- are largely determined by their connections with the central state.

The involvement in local politics through a political party is an important precondition for gaining control over economic resources provided by the state. Within this respect, local actors are organised around different institutions such as the chambers of industry and commerce and other business associations, at least whose directory boards generally favor one political party over another, to benefit

¹⁴ Through an analysis of the profiles of municipal council members, Tekeli (1992) concluded that big capital was not represented in these local councils while small tradesmen and building contractors were dominant.

from central state incentives in the form of subsidies and credits, to gain the control of OSBs- an important local resource base supported by the central state- and etc.

As mentioned, while ‘the gentry’, which is composed of the small commercial and industrial capital, dominates the local politics in terms of active membership to local councils¹⁵, the national politics has been the main political arena where the big capital chases the channels for the fulfillment of its local interests. This is explicitly observed in Zorlu Holding Group who invested in Manisa under the firm of VESTEL in Turkey. However, it is seen that this multi-national capital does not only target and lobby at the platform of national politics, but it also attempts to take the control of some key decision-making sites in the locality like the administration of the MOSB. Thus, it can be said that big capital is not always reluctant to engage in local politics as opposed to what is argued by the growth coalition approach. It may well actively engage in local growth politics through private channels, not necessarily through membership in municipal or provincial councils. Moreover, it is essential to note that besides active participation to local politics, big capital affects local decisions through its informal channels and thus by take an ‘insider status’ decision-making processes¹⁶. This is the influence mechanism considered in the concept of the third face of power, i.e the use of power through hegemonic control.

From another aspect, the struggle between local actors relates to gaining land rent and this struggle is likely to be beyond party politics and tend to target municipality since it has been appointed as the local state institution which controls the

¹⁵ The rising influence of the construction capital through increased membership in the municipal councils in the post- 1980 period is especially seen in the metropolitan cities to where the construction investments by both the state and the private sector were primarily directed at. In this sense, it can be stated that in smaller cities like Manisa, this transformation in the municipal membership is relatively slow and the small-commercial and agricultural interests still have the greatest influence in local politics.

¹⁶ One of the possible influence mechanisms in this sense is identified as the small and medium-sized supplier firms owned by the native industrialists. As will be presented in the next chapter, Zorlu Group has created a strong local supplier network and the interviews have revealed that most of the native suppliers work for VESTEL firms. As these native industrialists are highly engaged in local politics, it is likely that through its local economic relations, Zorlu Group has considerable influence on local politics.

production and distribution of land rent after 1980. The examination of the national development plans has revealed that the local state and in particular the municipalities are kept out of the decision-making process regarding industrial growth in their localities. In addition, the brief history of the political-administrative public administration system in Turkey indicated that the municipalities are increasingly operating within a capital-centered approach which is exemplified in the urban entrepreneurial activities as well as the privatization of the urban service provisions for reasons of profitability and efficiency. Therefore, the municipalities which are on one side excluded from an essential decision-making process in the production sphere and on the other side withdrawn from its main role in the reproduction sphere increasingly concentrate their activities around the generation and distribution of land rent. What differentiates the contemporary period from the past is that rather than controlling the generation of land rent and assuring its fair distribution between different social groups, the municipalities, which can more easily enter into profit-seeking activities, now act as beneficiary actors of land rent generation activities in the localities. One of the examples of this is seen in Manisa in the case of a public-private partnership established through the leadership of the Manisa Municipality to be elaborated in Chapter 6.

CHAPTER 4

MANISA'S LOCAL ECONOMY in HISTORICAL CONTEXT

Given the main contours of local growth politics in Turkey in the previous chapter, the history of local growth in Manisa with an emphasis of the development of industry will be depicted in this chapter. Within this regard, the aim is to identify the breaking points in the local economic and political structure and to show that the history of Manisa's local (industrial) development is marked more by conflicts rather than instances of local collaboration. The four periods determined to present the industrial history of Manisa signify these breaking points and indicate how the local power structures are reshaped and how different local actors have dominated local growth politics since the first years of 1960s.

It is identified that two main occasions trigger the conflicts among local actors. One of them is the entrance of the new capital and labor into the locality and the second one is the national level forces like the introduction of the new industrial policies by the central state. The establishment of the Manisa Organised Industrial Estate (Manisa Organize Sanayi Bölgesi, MOSB) by the late 1960s and the shift in the national accumulation strategy by 1980 are essential breaking points where these two occasions intersect. While the establishment of the MOSB initiated the entrance of the industrial actors into the local economy characterized by the dominance of the agricultural capital, macro-economic policy changes in 1980 brought about the strengthening of the industrial capital vis-à-vis the agricultural and small- commercial capital. The enactment of the new OSB law in 2000, on the other hand, paved the way for the absolute dominance of the industrial capital as the administrative control of the MOSB was transferred from the Chamber of Commerce and Industry of Manisa (Manisa Ticaret ve Sanayi Odası, MTSO)- mainly representing small- commercial capital's and small-industrial producers' interests- to the industrialists of the MOSB.

The emphasis on the role of the outsider (non-native) actors in the production of an increasingly conflictual local growth politics is one of the arguments raised in this chapter and this is related with the exogenous character of industrial development in Manisa. The establishment of the MOSB was a result of the extension of industrial activity from İzmir to Manisa due to the availability of cheap industrial-plots and locational advantages of Manisa rather than being a consequence of a flourishing native industrial capital in the locality.

Here, it is essential to note that it does not mean to assert that the outsider actors are the main source of conflicts or to say that collaborative practices are built on the mutual relationships among the native actors. Rather, the role that the form of industrial development which can be regarded as a local peculiarity is quite influential upon the emergence of a conflictual local growth politics. In this sense, it is underlined that the local peculiarity of Manisa is the conflictual interaction between the native and outsider local actors. While it has been an obvious opposition between the native and outsider capital representing different fractions of capital (native capital refers to agricultural and small-commercial capital while the outsider capital refers to industrial capital in the broadest sense), the contentious interaction between the native and migrant labor is a latent one which is triggered by the labor strategies of the leading local firms.

4.1. Manisa in National and Regional Economy

In urban and regional studies, the most widely used indicator to determine the place of localities in regional and national economy, i.e., the economic performance of the cities, is gross domestic product (GDP). Bearing in mind that the evaluation of the local economy based on GDP is quite limiting, this indicator will be used in order to have an overall idea about the place of Manisa in the national economy¹⁷.

¹⁷ Although the focus of the study is Manisa city rather than the whole province, since GDP results are generally provided with respect to provinces, some of the following data will focus on Manisa province.

According to GDP (by current prices) generated in Turkish provinces¹⁸ between the years 1990- 2001¹⁹, it is seen that Manisa is in the top ten among total 81 provinces in Turkey (See Appendix 2 for the whole lists of top ten provinces between the years 1990-2001). It is seen that Manisa shares a similar position with metropolitan areas of Turkey which have always been national attraction centers both for capital investors and the migrant labor.

The rank of the provincial capital of Manisa was extracted from the database of Türkiye İstatistik Kurumu (Turkish Statistical Institute, TÜİK) about the GDP shares of all urban settlements²⁰ in Turkey according to 1995 census. According to this data, Manisa is the 33. city out of total 315 urban settlements. The results of GDP shares both for the Manisa province and its capital city clearly show that Manisa has a significant contribution to the national economy.

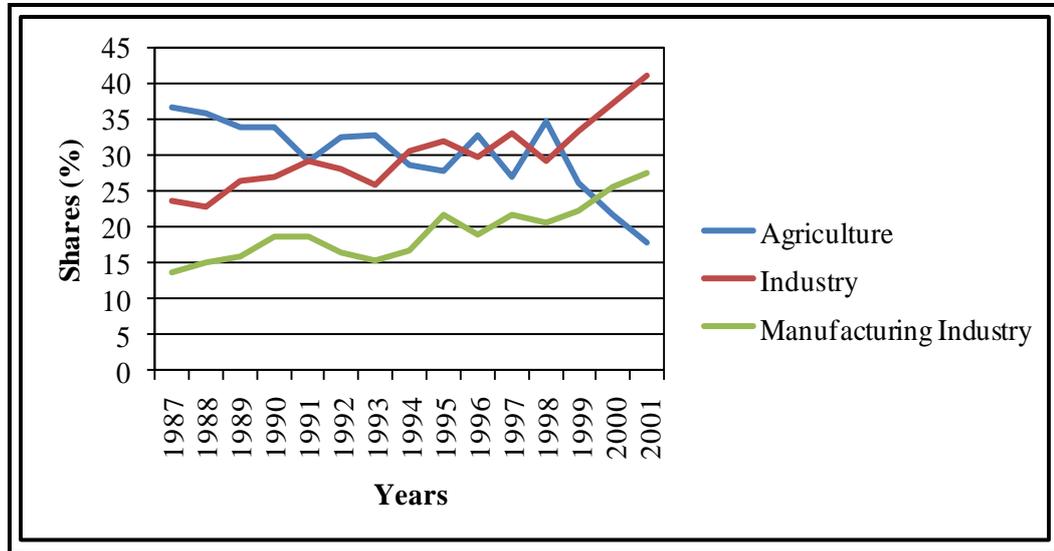
The distribution of GDP generated in Manisa province according to different economic sectors reveals that the industrial sector has steadily increased its share while it is accompanied by a decrease in the share of agriculture (See Figure 4.1.). The changing weight of the sectors in the local economy refers to the transformation of the local capital composition. On the other hand, contrary to this significant transformation in Manisa's local economy, the shares of different economic sectors in the provincial GDP have not shown any remarkable change in İzmir (See Figure 4.2.). This indicates the spatial restructuring of industrial organisation shifting towards Manisa from İzmir, especially from the first years of the 1990s onwards.

¹⁸ Data obtained from TÜİK covers the years between 1990-2001.

¹⁹ The GDP data according to provinces is only available between these years.

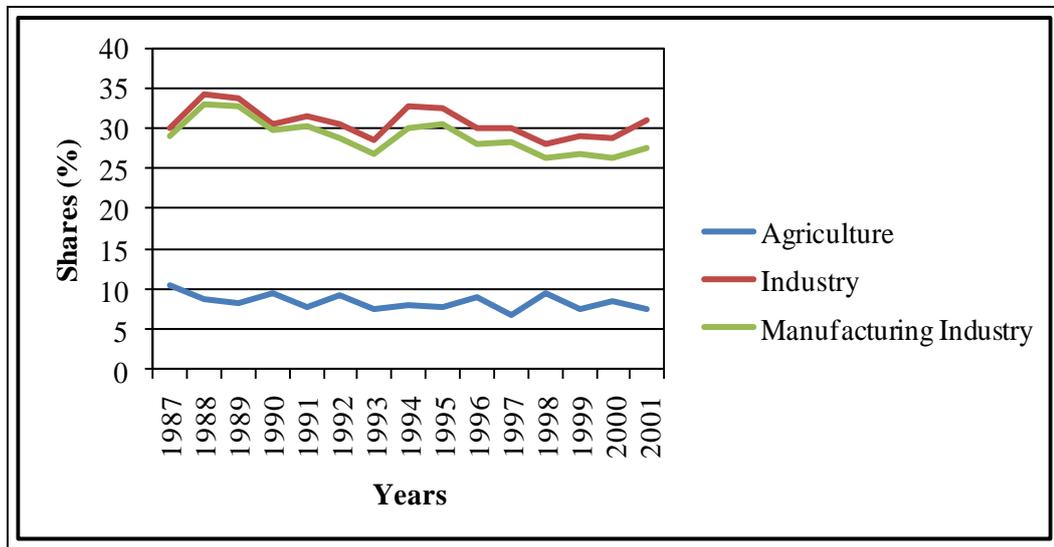
²⁰ 'Urban settlement' is defined by TÜİK as "settlement which has a population of 20.000 and over".

Figure 4.1. The Shares (%) of Selected Economic Sectors in the Total GDP Generated (By Current Prices) in the Province of MANİSA (1987-2001)



Source: www.tuik.gov.tr

Figure 4.2. The Shares (%) of Selected Economic Sectors in the Total GDP Generated (By Current Prices) in the Province of İZMİR (1987-2001)



Source: www.tuik.gov.tr

In order to have a better understanding of Manisa's economy regarding its place in national and regional economy, a glance at the results of the research executed by Devlet Planlama Teşkilatı (State Planning Organisation, DPT) in 2003 is thought to

be useful. This research aims to develop a socio-economic development index²¹ and place Turkish provinces and provincial capitals accordingly. In addition to the overall position that provinces hold, it is also possible to derive their ranks according to some specific variables like the development level of provinces with respect to manufacturing industry. In the overall ranking, in 2003, the Manisa province has 24. place and 19. place concerning the manufacturing industry. On the other hand, İzmir have the 3. place in the overall socio-economic development ranking and 2. place for the level of its manufacturing industry.

Homogeneous groups of provinces were identified in the research by taking into account the closeness of index values of the provinces and the relative position of these values vis-à-vis the national average. Manisa is among the second rank provinces which are generally located in the western and southern parts of the country and/ or in locations close to the first rank provinces, i.e. the ‘traditional regional centers’. In the report of the research, it is stated that there are five main trends for the distributional pattern of social and economic development over the national territory in the last 20 years in Turkey (DPT, 2003). These are:

1. The spread of industry from traditional regional centers like İstanbul, Ankara, İzmir and Adana to surrounding cities and the rise of service sector in these regional centers.
2. The concentration of industry in provinces located in the hinterland of the traditional regional centers. Kocaeli, Sakarya, Tekirdağ (in İstanbul’s hinterland), Mersin (in Adana’s hinterland) and Manisa (in İzmir’s hinterland) are examples of this trend.
3. Deindustrialization or industrial decline in provinces where state industrial investments were concentrated like Zonguldak and Kırıkkale.
4. The emergence of “new/ local industrial centers” in different parts of the Anatolia through the specialization of some cities at certain sectors by using

²¹ “The Socio-Economic Development Index” is based on selected variables of demography, employment, education, health, infrastructure, manufacturing industry, construction industry, agriculture and finance.

their indigenous resources. Denizli, Gaziantep, Çorum and Kahramanmaraş are examples to such cities.

5. Rapid development in some provinces like Antalya, Muğla, Aydın and Mersin depending of their tourism potentials.

The influence of İzmir over the industrial growth in Manisa is especially valid for Manisa's provincial capital which is the closest city to İzmir province's capital, i.e. the traditional regional center of the Aegean region. It is worth mentioning here that although Manisa has reached a considerable level of industrial activity, which is largely due to its position in the hinterland of İzmir, the agricultural character of the province is still prominent.

When we look at the position of the Manisa province in Aegean Region with respect to the overall socio-economic development level, we see that it holds the 5. place among the total eight Aegean Provinces²². It is obvious that the results based on GDP values and socio-economic development indexes for Manisa province are quite divergent. Some selected socio-economic variables, which can be seen in Appendix 3, shows that Manisa has a more agricultural character when compared to the Aegean Region and Turkey. The value of agricultural products per capita for rural population is higher than the averages of both the Aegean Region and Turkey. The relatively low levels of social indicators is particularly obvious for educational results. The literacy rate in the Manisa province is lower than the region and country average. In addition, it is seen that Manisa province is far from having an educated population which is made apparent from the considerably lower shares of university graduates in the 22+ years old population when compared to the averages of the Aegean Region and Turkey (See Appendix 3).

The prominent agricultural character of the Manisa province is also evident from the share of agricultural workers in the total employment, which is considerably higher than the shares for the Aegean Region and Turkey (See Appendix 3). On the

²² The descending order of Aegean Provinces with regard to socio-development index values is: İzmir, Denizli, Muğla, Aydın, Manisa, Uşak, Kütahya, Afyon.

other hand, the share of industrial employees in the total labor force of Manisa province is just slightly under the values for the Aegean Region and Turkey. When the share of manufacturing industry employees in the Manisa province within the whole manufacturing workers in the Aegean Region' provinces is taken into account, we see that Manisa has the 3. largest manufacturing industry employee population (See Table 4.1.).

Table 4.1. The Share (%) of Manufacturing Industry Employees Within Total Manufacturing Workers in the Aegean Region and Turkey (2000)

	Share (%) Within Aegean Region's Manufacturing Workforce	Share (%) Within Turkey's Manufacturing Workforce
İzmir	50,4	8,3
Denizli	21,8	3,6
Muğla	1,1	0,2
Aydın	4,1	0,7
Manisa	12	2
Uşak	3	0,5
Kütahya	4,3	0,7
Afyon	3,3	0,6

Source: DPT, 2003

The statistical results show that Manisa province has both the agriculture and industry as the two driving sectors of the local economy. In addition, it has essential contributions to national economy with the added values generated in both sectors. Thus, it can be said that Manisa serves both as an agricultural and an industrial center when its position in Aegean Region is considered. However, it is also apparent from the statistical data that Manisa province has some drawbacks related with social development which indicates the existence of a labor force dominated by unskilled workers.

4.2. The Conflictual Co-Existence of Industrial and Agricultural Sectors

The statistical data presented so far have shown that beginning from the first years of the 1990s, there has been a transforming local economic structure in Manisa. Although the industrial activities increased its weight in the local economy, it is seen that the agricultural sector is still crucial in terms of both employment and value generated.

The data on GDP shares of economic sectors (See Figure 4.1.) have already revealed a sharp increase in industrial sector's share accompanied by a remarkable decrease of agricultural sector's share in 1998. This breaking point coincides with the considerable investment of the Zorlu Holding Group Company in Manisa through the VESTEL firms. The critical role of VESTEL firms in industrial growth, which was a point mentioned by almost all interviewees, was due to the creation of huge volume of employment opportunities and supplier industry activity by these firms. Many interviewees stated that most of the medium-sized firms opened in the last decade was the result of the rising demand for supplier industries by the VESTEL Electrics-Electronics and White-Goods firms.

The growth of the supplier industry is evident from the development of Manisa Orta Ölçekli Sanayi Bölgesi (Manisa Medium-Sized Industrial District, MOÖSS) and Muradiye²³ Orta Ölçekli Sanayi Bölgesi in the last five years. The current problems with these newly established districts are mentioned as infrastructural inadequacies and the legally non-defined nature of medium-sized industrial districts²⁴. Besides

²³ Muradiye is a nearby town which is 12 km. far away from Manisa. An essential feature of Muradiye OÖSB is its proper location since it is adjacent to the Manisa OSB. This feature provides advantages both for the main and the supplier firms in terms of transportation opportunities and easy access to their business partners.

²⁴ "In a meeting with the chairman of the Grand National Assembly of Turkey and Manisa AKP deputy- Bülent Arınç- , Abdurrahim Arslan -the head of the MOÖSB- stated that the biggest problem in the district was electrical infrastructure and asked the help of Arınç in order to enable the release of necessary financial resources by the central government for the project prepared by the local institutions responsible for electricity distribution. Arslan added that medium-sized industrial districts are yet not defined in legal texts and that this is

these two industrial districts, medium-sized industries are also located dispersedly in single parcels in and around Manisa and Muradiye.

With regard to the increased need for industrial parcels for medium and small- sized industries, it is understood from the interviews that the MOSB administration under Manisa Sanayi ve Ticaret Odası (Chamber of Industry and Commerce of Manisa, MTSO) which has been the main industrial parcel producer in the locality until 2008, has been reluctant to produce parcels for medium-sized firms within the MOSB. The collective initiatives of industrial investors for producing alternative solutions through the establishment of medium-sized districts is said to partly stem from such an attitude of the previous MOSB administration. Thus, it can be said that the policy adopted by the MOSB administration under the rule of MTSO has created a separation between the big and medium-sized capital.

The production of industrial parcels is critical in Manisa which is located on fertile agricultural lands. This point was mentioned with complaint by all interviewees who were representatives of the agricultural sector as they stated that the fertile agricultural land was sacrificed for industrial development. The words of one interviewee refer to a conflictual dimension of the co-existence of agriculture and industry in Manisa:

“The industrial development in Manisa is directed only by industrial investors. We as the agricultural sector can not agree with them on which agricultural land should be used as industrial plots. In the past, in cases of site selection for the MOSB, I always had a commentary on the site decision as a member of the site selection committee²⁵. I wanted

one of the main problems facing these districts as they can not make use of several state supports and incentives contrary to organised and small-sized industrial districts” (Manisa Haber Newspaper, 18 July 2007).

²⁵ The site selection for the OSBs are made by ‘site selection committees’ established through the coordination of the The Ministry of Industry and Commerce. The committee is formed by the representatives of the Special Provincial Administration, the local branches of seven ministries (Ministries of Public Works and Settlement, Health, Transport and Communication, Agriculture and Rural Affairs, Energy and Natural Resources, Culture and Tourism, Environment and Forestry) and the municipality in case of the location of the site

industrial districts to be built on low-quality agricultural land. But in Manisa, industrial districts- for eg. the 4. and 5. parts of the MOSB- were built on fertile agricultural lands. “Yes” to industrial development but Gediz River is nearly died today. The industrialists are saying that they have refinement facilities in their factories, but they do not run them properly. *This was declared by some previous mayors but the industrialists are dominant and influential. The MOSB was established as the MTSO was politically powerful in some respects and it still goes on like this”* (Harun Çoban, former head of Manisa Chamber of Agriculture; interviewed on May 2009).

Although there were generally positive opinions about the growing local industrial activity, it appears from the interviews that most of the local notables are worried about the current form of the co-existence of industry and agriculture in Manisa. One of the most frequent statements made by the interviewees in this sense was ‘the need for the city to determine its economic priorities’. Regarding a more detailed evaluation of the local economic structure, the interviewees mentioned about the problems of local industry as follows:

- Necessity of a planned and coordinated future development for the industry,
- The need for an alternative main industry,
- Limited contribution of the MOSB to the city due to the concentration of blue-collar workers, most of whom are working at minimum wage, in Manisa while white-collar workers are coming from İzmir (an alternative for this statement was ‘the need to attract qualified labor to Manisa’),
- The isolated position of the MOSB from the city (this comment was accompanied by statements about ‘the need to utilize MOSB’s resources for enhancing native industrialists’).

inside the municipal boundaries (By-law- no. 26759- for the site selection of OSBs enacted in 2008).

When these opinions are evaluated together with the comments on the significant decline in the agricultural sector, the co-existence of the agricultural and industrial sectors in Manisa seems to carry the following main characteristics;

- The simultaneous existence of the agriculture and industry does not have a strong economic cooperation dimension in the form of agricultural industry²⁶,
- The growth of industrial sector lacks an institutional cooperation among different local public and private institutions and the dominance of the MTSO is observed in this sense,
- A local labor force mostly composed of unskilled workers and most of whom is engaged in both agricultural and industrial activities.

It was understood from the analysis of the interview data that the relation between the agriculture and industry- actually the problems associated with the co-existence of these two main sectors in the local economy- was mentioned by the interviewees on two main grounds:

- In terms of entrepreneurialism in the industrial sector,
- In terms of local labor force.

With regard to entrepreneurial efforts in the industrial sector, most of the interviewees mentioned that the agricultural background of the native capital owners have a negative effect on the form of industrial growth. In other words, important revenues generated from the agricultural activities limit or totally obstruct capital owners' willingness to invest in the industrial sector. The exogenous form of industrial growth is thus partly stems from the native capital owners' reluctance to invest in the industrial sector as well as the locational and infrastructural advantages

²⁶ The frequency distribution of active production units (a total number of 107) in the MOSB according to type of industrial activity is as follows: Electric-Electronics (13, 08 %), White-Goods (13, 08 %), Otomotive (9,35 %), Non-Iron Metals (9,35 %), Metal Goods (7,48 %), Textile and Clothing (6,54 %), Food & Beverages (3,74 %), Packaging (3,74 %), Chemistry and Petro-Chemistry (3,74 %), Mould (2,8 %), Paper and Cardboard (2,8 %), Iron & Steel (2,8 %), Furniture (2,8 %), Others (11,22 %) (Calculated from the data obtained from www.mosb.org.tr, 2008).

of Manisa. What is central to the thesis's main argument is that such form of industrial growth has brought about a clash between agricultural and industrial capital interests and indicates the existence of distinct growth agendas regarding Manisa's economic future.

Concerning the evaluation of the local labor force with reference to the co-existence of the agricultural and industrial sectors, the most frequently made comment was the concentration of low-skilled and low-waged labor in Manisa. The concentration of unqualified blue-collar workers, in the first place, depends on the historical dominance of agricultural sector in the locality in the sense that engagement in agricultural production have not provided the local labor with the features required for industrial production. Secondly, being 'a city of blue-collar workers' as described by many interviewees is related with the fact that white-collar workers which the firms necessitate is provided from İzmir. Furthermore, the interviewees also mentioned the difficulty of accomodating the white-collars workers and top managers in Manisa as the social and cultural life demanded by these people exist in İzmir where they prefer to live rather than Manisa²⁷.

In terms of the preferences of the local labor force, the interviewees stated that the young generation is inclined to work in industrial jobs due to the opportunities provided such as social security, definite working hours as well as the urge for a new life style different from that of experienced when engaged in agricultural activities. Moreover, as stated by one of the interviewee from the agricultural sector, people have been left in a situation to accept working in low-paid industrial jobs after the decrease in agricultural production. Contrary to the decline of the agricultural activities in Manisa, most of the local industrial labor force- especially

²⁷ The head of the MTSO, Bülent Koşmaz, stated that 15 % of the employees in MOSB are coming from İzmir and commented on the preferences of top managers favoring İzmir to Manisa: "Is there a theatre hall in Manisa? How many good restaurants are there where you can eat out with your family? Is the number of schools giving qualified education enough? If we do not have proper answers for these questions, we do not have the right to get annoyed by these preferences" (<http://kalkinma.org/?goster.asp?sayfa=haber&id=2101>; 10 September 2005).

the native ones- have revenues from the agricultural sector as they generally have an amount of agricultural land which is cultivated for a long time by their families. It is essential to note here that non-landed labor also engages in agricultural activities for gaining extra incomes in times of high demands of the agricultural producers for workers. Thus, temporary agricultural jobs have a supplementary function for the industrial local labor force working generally at minimum wage.

The interview data has revealed that this continuous and reciprocal transfer of the local labor force between two main sectors of the local economy is seen as a drawback by the employers of both the agricultural and the industrial sectors. It was mentioned by some interviewees that beginning from the establishment of the MOSB, there has always been opposition against the growth of industrial sector in Manisa by the agricultural capital owners. It is understood that this opposition was generally based on the grounds that the growth of industrial sector would hinder the supply of enough agricultural workers in the locality²⁸. On the other hand, it was stated by the interviewees from the industrial sector that the engagement of local workers in both sectors hinders the development of required skills and expertise for industrial production

4.3. The Dynamics of The Local Labor Market

The (re)structuring of the political-economy of capitalism at different spatial scales in different periods was always based on the functional division of labor and the ways in which this created competitive advantages of different places, i.e. countries, regions or urban areas. In this sense, the spatially uneven development of capitalism stems partly from the differentiations of labor power in different places. Thus, understanding labor processes are central to understand the (uneven) capitalist development (Scott, 2006; Massey, 1984; Coe et al., 2008).

²⁸ In this sense, Halim Şener- the head of Pazarcılar Odası- said: “Now to find workers for the agricultural activities is like looking for gold on the ground, it has been that hard” (interviewed on 26 April 2009).

Since the late 1980s, the critical approach to the capitalist restructuring argues that the labor market has an intrinsically local level of operation and regulation. In particular, the creation and destruction of jobs and the processes of employment, unemployment and wage setting, at least to some extent, are locally constituted (Martin, 2000). Workers are increasingly exposed to the forces of global competition and policy choices made by national governments and supra-national organizations. Capital's spatial mobility in the contemporary era gives it a strong bargaining power with respect to place-bound workers. The persistent threat that the firms may relocate production becomes a powerful tool for employers when determining wages and benefits and their investment strategies. In this way, the potential reorganization of their activities on a global scale becomes a critical tool for transnational firms negotiating with workers and local actors (Coe et al., 2008).

The mainstream literature assumes and argues the need for the collaboration of workers with the employers for enhancing the productive efficiency of the firm and thus the competitiveness of the locality as a whole in the global markets. The premise in this local strategy is that jobs will be secured and enhanced through enabling the firms to compete better with the firms in other localities (Gough, 2002). In this sense, the production of VESTEL for foreign markets and thus its competition in the global market emerge as an effective discourse in Manisa. Some interviewees both among the businessmen and workers declared that competing in global markets is a tough job and there may be negative implications in terms of working conditions and wages for the local labor in Manisa. This is a clear example of the use of the rhetoric of globalization, seen as a supra-local force, for the hegemonic influence and control of capital over local labor market.

In sum, there are considerable place variations in the character of labor-capital relations although same legal regulations are valid for all the localities in unitary nation-states, one of which is Turkey. Therefore, understanding the basic dynamics of the local labor market regarding the general features of the local labor force and the capital-labor relations is central for the evaluation of local growth politics. This is because the firm strategies directed to the control of the local labor force

constitutes an essential part of the contemporary local growth politics. In this sense, an examination of the capital-labor relations and uncovering the hegemony of the capital are thought to be vital for challenging the mainstream assumption of collaborative tendencies in local growth politics. Moreover, as opposed to the mainstream conceptualization of local economies, this thesis adopts a wider perspective for evaluating local economies and the politics behind it by incorporating the consequences of the growth process to the analysis. Thus, elaborating on labor processes is thought to contribute to this perspective as it emerges that one of the essential outcomes of the current economic growth in Manisa is the worsening of the conditions for local labor²⁹.

4.3.1. Employment Structure and Working Conditions

Contrary to the growing volume of the industrial activities in the city, the interviewees were not so positive about the present employment levels and the working conditions in the industrial firms. They stated that due to the current global economic crisis, the decline in the agricultural sector and the migration flows to Manisa, the level of unemployment is rising in the city³⁰.

²⁹ About the labor policies of VESTEL, with a particular reference to the current economic environment marked with the effects of the global financial crisis, one VESTEL worker said: “As far as we can see, VESTEL will not be closed down. However, a downsizing is in practice. For instance, one of the two refrigerator production units was closed down. On the other hand, an air-conditioner production unit is opened. Seasonal factors are also influential on production type and volume. What we observe up to now is the loss of rights of the current workers employed in the firm while new workers are continuously hired. For example, in the unit that I am working, 300 workers were told that their perks would be halved. They were also told that unless they admit to sign the document assuring workers’s agreement of the new regulations, they would be fired without getting their severance payments. The reason given for such a new regulation was stated as the current economic crisis. Another example for the loss of worker rights is the increase in unpaid vacations. The firm is preparing the vacation requests in the name of the workers and force them to sign the requests. Threats are widespread for those who refuse to sign them” (21 March 2009 <http://www.tumgazeteler.com/?a=4847136> accessed on 25 January 2010).

³⁰ In the survey, the workers were asked if they were ever vacated during their work lives. 29,5 % stated (out of a total of 205) that they were vacated. The mean of the length of unemployment among those who were at least vacated once (56 workers) was 1,78 years which can be counted as a quite long period of unemployment for a person.

Related with the working conditions, the most frequently mentioned issue by the interviewees was the steady decrease of the wage levels in the last few decades. The main reason behind this decline was given as the employment policy pursued by the main local firm-VESTEL. This is evident from the survey data where the third most frequently given answer to the question of ‘Did the growth of VESTEL affect your working life?’ by the workers was ‘the decrease in the wage levels’. The other most commonly given answers to these question by the workers in small and medium-sized enterprises (SMEs) include:

1. “It did not have an effect at all” (33,8 %),
2. “More job opportunities emerged” (28,3 %),
3. “Wage levels decreased/ VESTEL compeled workers to work at minimum wage” (10 %),
4. “Working conditions of the workers worsened- in terms of increased labor circulation, longer working hours, the decrease of side payments, the deterioration of social rights etc.” (5,7 %),
5. “It caused additional migration which complicated the already hard conditions in the local labor market – through VESTEL’s preference of the migrants and through the increased competition for the available number of jobs which did not change in accordance with the increase of the number of workers” (5,2 %).

In addition to the above comments, another factor which hardens the working conditions for the local labor has emerged as the significant levels of labor sub-contracting which is an employment policy increasingly applied by the industrial firms, in particular VESTEL as highlighted by the interviewees.

4.3.2. Migration Trends and The Effects Immigrant Workers on the Local Labor Market

One of the most frequently highlighted issues by the interviewees in terms of labor market characteristics was the high levels of migration that Manisa attracted. Most of the interviewees put forward the growth of industrial sector as the main reason behind these migration flows while some interviewees stated that Manisa had always been attractive for migrant labor due to the abundancy of job opportunities. As Zafer Ünal- the mayor of Manisa between 1989-1994- stated, Manisa’s

attraction for migrants during the 1980s and 1990s was not only due to the developing industry but also to the strong local agricultural capacity.

Table 4.2. Rate of Net Migration and Population Change in Manisa Province

	Rate of Net Migration (‰)	Population Change (%)		
		Total Population	Urban Population	Rural Population
1965-1970	-	7,63	12,54	4,92
1970-1975	-	8,28	14,13	4,83
1975-1980	11,1	7,97	16,05	2,78
1980-1985	7,1	11,49	21,60	4,14
1985-1990	20,6	9,93	22,51	-0,74
1990-2000	3,2	9,16	21,07	-3,30
2000-2007	-	4,74	17,67	-12,20

Source: www.tuik.gov.tr

As the data on rate of net migration presented in Table 4.2. shows, Manisa province got a considerable migrant population during the period between 1985-1990 from other provinces. Moreover, the data on population change indicate that there is a flow of people from the villages to the town centers within the Manisa province beginning from the initial years of the 1990s. This issue was also mentioned by the interviewees stating that people had no choice but to migrate from nearby villages to Manisa due to the downturn of the agricultural sector.

The survey on workers in the SMEs also points out a similar result regarding the considerable share of immigrants in the local population. 45,7 % of the respondents (a total of 210) stated that they were born in Manisa while 54,3 % said they were born outside Manisa.

According to the interviews made with local notables, the effects of migration on the local labor market are as follows:

- Decreasing wage levels and worsening working conditions since migrant workers agreed to work for lower wages and under poorer working conditions,

- Increasing unemployment levels since the increase in the supply of jobs was not parallel to the demand for jobs furthered by the new comers,
- Worsening educational level of the local population since almost most of the immigrants are undereducated.

While the increasing levels of unemployment is a direct effect of the migration flows on the local labor market, the decrease of the wage levels can be regarded as an indirect consequence. In the interviews made with the members of the local labor force, it was stated that the latter was due to the migrants' inclination to accept lower wages introduced through the main firms' labor strategy. On the other hand, although agreeing with the view that the immigrants had an effect on the decrease of the wage levels, most of the members of the local business community complained about the slackness of the native workers³¹ when compared to migrant labor. Following this last point, it can be inferred that there is a distinction made between native and migrant labor both by the employers and the employees themselves.

Besides the decreasing wage levels, another important consequence of the immigrant labor on the local labor market relates with the job security. It was stated by most of the members of the local labor that the employers have used the existence of a large reserve of workers, whose volume has considerably increased by migration flows, as a threatening tool against the currently employed workers. Moreover, it is also identified through the survey that employment opportunities were diminished due to the rise of the job demands caused by the immigrant workers. In this sense, out of 160 workers who responded to the question of "Do you think that migration made it difficult to find a job in Manisa?", 44.4 % answered "yes" while 55.6 % answered "no".

³¹ "The slackness of the native labor" is closely associated with their ownership of agricultural land and/ or more intense engagement in the agricultural sector. This issue was alternatively put forward by the statement that native employees had looser commitments towards industrial jobs when compared to migrants.

To conclude, immigrant labor has been a determinant aspect of the local labor market dynamics in Manisa especially in the last decade as it has become a part of the strategy pursued by the main local firms, especially by VESTEL. Moreover, case study findings have shown that labor market is locally structured by the strategies pursued by the powerful local firms. It appears in Manisa case that unqualified, place-bound workers are the local actors who are exposed to the forces of global competition in a way that results in the worsening of their working conditions. It emerges that although both the local labor and capital are locally dependent, the capital-labor relation in operation creates a conflictual growth process contrary to the collaboration between local firms and local labor as argued in the mainstream development paradigm.

4.4. Local Economy In A Historical Context

4.4.1. The Period Before The Turkish Republic

Ottoman Empire, the predecessor of Turkish Republic, had become a semi-colony of the economically powerful European countries beginning from the 19th century. The determining feature of a semi-colony was having an economic position in the global market as an exporter of raw materials and an importer of industrial goods (Boratav, 2007). This economic structure indicates the dominantly agricultural character of the Empire while industrial production was quite limited, most of which took place in the form of small-artisanal production.

Within this general picture, the industrial censuses made in 1913 and 1915 revealed that industrial investments were concentrated in the western parts of Anatolia which included today's Marmara and Aegean regions. In other words, industrial production was taking place around two main centers: İstanbul and İzmir. The manufacturing activity was mainly taking place in the industrial sub-sectors of textile, food, wood and leather (Ökçün, 1985).

As a part of this national economic structure, it is seen that the economy of Manisa province depended on agricultural production before the Republican Era. Cotton

was the primarily cultivated crop since the 16th century in the locality and as an important industrial raw material, it was directly exported through İzmir seaport or was processed as yarn and cloth in small family workshops throughout the province (Manisa Valiliği İl Yıllığı, 2000). In 18th and 19th centuries, cultivation of agricultural crops like cotton, tobacco, grape and olive, which were manufactured in limited amounts, was the backbone of the province's economy (Manisa Valiliği İl Yıllığı, 1995).

In the second half of 19th century, the effects of restructuring global markets were seen in Manisa. In order to ease the transportation of exported raw materials to İzmir seaport, the first railway line in the Ottoman Empire was built between Turgutlu and İzmir by an English firm. The line was passing through the Manisa city and it was later enlarged to cover nearby towns. The opening of this line had considerable impacts in the agricultural and industrial production of the area. The main implication was the huge increase in the already existing cotton production as a result of the search of new cotton markets by the foreign countries (Manisa Valiliği İl Yıllığı, 1995). The increased cotton production and the enhancement of transportation infrastructure was followed by the opening of ginneries firstly in İzmir and then in Manisa province by foreign capital (Karaköse, 2004).

Through the significant impact of the foreign capital, by the second half of 19th century, the agricultural production in Manisa province shifted from a subsistence level towards a level in which the production mainly targeted the supply of global markets with demanded raw materials. Although the produced crops like cotton and olive were processed in small workshops, Manisa province remained as the main supplier of raw materials both for global markets and for the industrial firms in İzmir. Thus, prior to the establishment of the Turkish Republic, the provincial capital of Manisa was an agricultural center where the produced crops from the whole province were gathered for export markets. Contrary to the existence of agricultural industry in the form of small workshops, industrial production in the city was quite limited (Karaköse, 2004).

4.4.2. A National Agricultural Center (1923-1970)

Following Lausanne Treaty in 1923, the Turkish Republic had new international economic arrangements with foreign countries. Although this brought in the possibility of a break with the old economic structure which was under the influence of several capitulations given to foreign countries, restructuring of the national economy was realized under open market conditions until 1930. It was between 1930 and 1945 that the economic policies were directed towards building a national industry which was characterized by a strong statist political attitude. The 1929 global economic crisis was utilized as an opportunity to built a national economy which relied less on imported goods (Boratav, 2007).

However, after 1945, the strict protective measures against import activities were gradually softened which resulted in the reliance of economy to increased imports as well as foreign aids and credits (Boratav, 2007). Contrary to the liberalization of statist policies in the period between 1930-1945, it was important to point out that until 1980, the state continued to play a direct and leading role in the establishment of a national industry through state-owned enterprises opened throughout the country. Although in the long period between 1945 and 1980, economic policies have continuously adapted to the changing conditions of national and global economy, the details of these changes are beyond the scope of this thesis. Therefore, the important point to highlight is the active role that state played until the export-oriented industrial policy was introduced in 1980. The data about the economic structure of Turkey by the first years of the 1960s reveal that the country's economy was primarily based on agricultural sector contrary to the gradual rise of industrial sector's share. In the first national development plan of 1963, it was stated that the share of the agricultural sector in the national economy was 42 %, while it was 23% for the industrial sector (DPT, 1963).

In parallel with this general national economic structure, Manisa empowered its position as an agricultural production center. Industrial activities continued to take place in small-scale production units which process agricultural raw materials like

cotton, tobacco and olive (Karaköse, 2004). In this sense, the economic structure of the previous period was maintained to a great extent in this period. In addition to being an agricultural production center, Manisa served as a commercial center which met the demands of its surrounding towns and villages for manufactured goods (Karaköse, 2004). The leading manufacturing industries in the province were textile, food and leather industries which were dependent on agricultural and husbandry products.

Thus, it is possible to define Manisa as an “agricultural production center” between 1923-1970 regarding its role in the regional and national economy. The development of industrial and commercial activities were considerably hindered due to Manisa’s close location to the regional center, i.e. İzmir, as the capacity of industrial production was limited in the country and only most advantageous localities like İzmir was the target of industrial investments. The only big-scale industrial investment in Manisa city during this period was the state-owned textile factory, Sümerbank Textile Factory, which was initiated in 1955 and began production in 1960. During this period, other state initiatives were also realized in other towns of the Manisa province as a part of the national economic strategy of building a national industry. However, the introduction of these state-owned big firms were not enough to create a breakthrough for the growth of industrial sector in the province (Manisa Valiliği İl Yıllığı, 1967).

To sum up, agriculture was by far the dominant sector in the economic structure for both the province and the provincial capital in the period between 1923-1970. The share of industry was not at significant levels regarding the total wealth generated and the number of people employed in this sector. As a national agricultural center and as a provincial commercial center, it is clear that in this period, Manisa’s political- economy was marked with the dominance of the agricultural and small-commercial interests.

4.4.3. The Co-Existence of The Agricultural and Industrial Sectors Begins (1971-1979)

The establishment of Organised Industrial Estates (Organize Sanayi Bölgesi, OSB) was introduced as an essential policy tool for building a national economy. In this sense, OSBs in Turkey was an essential part of the economic strategy of building a national economy. In this sense, in order to identify the best locations for OSBs, the central government held a national feasibility survey in 1961. The findings of the survey led to the establishment of country's first OSB in Bursa. As Bursa OSB proved successful in terms of achieving high occupancy rates within few years, new OSBs were decided to be opened in four other cities including Manisa (the other cities are Konya, Bartın and Ankara) in 1964 (Eyüboğlu, 2005). The establishment of Manisa OSB (MOSB) was a turning point for the city in the sense that it commenced a change in the composition of the local capital.

Although the establishment of the MOSB was decided by the central state as a part of the national industrial policy, it is understood from the newspaper archive search³² and the interviews³³ that there was also a local effort to ensure the

³² “In the MOSB, the sales of parcels are increasing day by day and in a short period there would be no parcels left. *The establishment of MOSB, which was initiated by the Chamber of Commerce of Manisa, began in 1968 with the financial support of the Manisa Municipality, The Governorship and the Chamber of Commerce and, later, infrastructure construction was started with the credit taken from the Ministry of Industry and Technology*” (Hürriyet Newspaper, 9 November 1976).

³³ “*The first step towards industrialization in Manisa has been made in 1960s by the city notables of that time. It was a project initiated with an aim to ensure the city to move towards an industrial identity from an agricultural one. In this sense, city notables had applied to central state authorities. By this way, the process for the establishment of the second OSB with the American help in Turkey after Bursa OSB had started. If we take into consideration the overall slow pace of industrial development in the country at that time, in the initial years of the opening of the MOSB, the speed of development was low. Instead of big industrial firms, small and medium-sized firms was operating in these first years. The MOSB had actually made its breakthrough during the 1980s and gained a considerable momentum in 1990s. During the establishment period, a financial credit was taken from the Ministry of Industry and Technology but in the following years it was paid back before its due date and then all the expenses were made from the own resources of OSB without owing anything to the state*” (Ahmet İgan, Council Member of the Chamber of Commerce and Industry of Manisa, interviewed on 03 June 2008).

establishment of one of the country's new OSBs in Manisa. Within this regard, a group of local notables carried out the negotiations with the central state. The group included public institutions of the Governorship and the Municipality and the private institutions of Chamber of Commerce as well as the Chamber of Stock Exchange of Grape and Tobacco. An old deputy of Manisa elected in 1961 has mentioned in his memories (Köklü, 2008) that he helped the Manisa delegation in their negotiations with the central state authorities.

Under the leadership of the Chamber of Commerce, the infrastructure construction of Manisa OSB began in 1968 and the first phase was ready for investments in 1971. The first factory in Manisa was opened by the Elginkan Group, a family rooted in Manisa province; the ECA Valve Industry³⁴ (Also see Appendix 4). A short time after the opening of the MOSB, the efforts for establishing a Small-Sized Industrial District (Küçük Sanayi Sitesi, KSS), which was in the first place planned to include supplier industries of the MOSB firms, was seen (Also see Appendix 4).

From the data obtained from the newspaper archive between 1972 and 1979 (Also see Appendix 4), it becomes apparent that the new investments to the MOSB in the first decade of its opening followed the existing pattern of the city's industrial structure which was centered around agricultural industry. In other words, the MOSB firms during the 1970s were mainly processing agricultural raw materials. It is also seen that the growth of the MOSB during 1970s was relatively slow when compared to the following periods. As the numbers of both the local and the national investors were limited in the 1970s- in the initial period of the MOSB

³⁴ “Initially, the investors in Manisa OSB were a few people who were supported by the state. The most important of such firms is ECA Holding which was owned by Ekrem Elginkan; it is generally known as ‘Serel Seramik’ by the public. The owner is from Manisa. He had put extreme effort for preparing the industrial base in Manisa. The firm still has units which continues production in the MOSB. In 1970s, the speed of industrial development was low in Turkey and the industrial environment was not so competitive. Therefore, investors from Manisa can channel some of their capital to the industrial sector. But their capacities were small. Actually some of the firms that were opened up at that time had to be closed down in the following periods.” (Ahmet İgan, Council Member of the Chamber of Commerce and Industry of Manisa, interviewed on 03 June 2008).

during when there was an intense effort to promote industrial growth in the city- we see that all industrial entrepreneurs were welcomed regardless of the size and the type of activity³⁵. Among these investors there were also a few native businessmen who have accumulated capital from agricultural production³⁶.

As the number of native investors willing to invest in the industrial sector was quite limited, it is seen that outsider investors were targeted and invited to invest in the MOSB. The advantages for investing in the MOSB were stated as the lower land prices when compared to industrial plots in İzmir, the closeness of the MOSB to İzmir and the availability of all necessary infrastructure for industrial production. In a press declaration made by the head of the OSB's management, Hasan Türek, in 1976, it was uttered as follows:

“There was no land left to built a factory in and around İzmir. Under the current road infrastructure, the MOSB has become a suburb of İzmir. In our OSB, we have 110 fully infrastructured parcels. Up to now, 42 parcels have been assigned to investors. All the parcels have been fully occupied with basic infrastructure like electricity, water, telephone, road and waste water. The prices of land prices are fairly low in the MOSB. I can tell to the prospective industrialists that currently the most suitable and cheapest OSB to invest in is the MOSB” (Hürşık Newspaper, 27 April 1976).

³⁵ “When we look at the I. part of Manisa OSB, we only see a few native firms from Manisa. Among those there is a shoe firm, Taymaz Shoe, as far as I remember, which was built by Turkish people working in Germany. There is a gunny factory, a furniture factory. Most of these firms were not in proper hands and all of them went bankrupt dissipating our guest workers's money. Then, the second generation appears in OSB with the investments of ECA. With the ECA's investment, SEREL factory, some of the native industrialists grew in size and became middle-sized firms.” (Hakkı Bayraktar, a native industrialist and a member of the Supervisory Board of the MOSB, interviewed on 28 August 2008).

³⁶ “The most important entrepreneur group at that initial phase was Elginkan's, Ekrem Elginkan was the founder. The first firm which was allocated a plot was ECA's valve factory. Then YEMSAN and SAFİR Group came. At that time, there was a group of industrialists who were welcomed to invest in order just to increase the number of firms in the OSB. We had Uncle Mehmet for example, he opened up a furniture factory. At that time, these people hold the identity of being industrialists. Pulcuoğlu firm established a cotton gin factory. Manisa OSB was established by the efforts that those put who said that we can do this. Then, others who saw these efforts came” (Funda Karaboran, vice manager of the MOSB, interviewed on 09 June 2008).

Rather than an obvious shift in the investment and employment patterns, which remained dominantly in the agricultural sector, there were slight changes regarding both between 1971-1979. In terms of investment patterns, we identify the transfer of a certain amount of capital accumulated in the agricultural sector to industrial sector via a few native notables. Moreover, it is understood from the interviews that native investors were reluctant to invest in the industrial sector in addition to the reactions of some, big agricultural producers against the growth of industrial activities with a fear of losing workers. Thus, the industrial production in Manisa was primarily initiated with the investments of the outsider capital while the native capital owners mostly continued to engage in agricultural and small-commercial activities in the period between 1971-1979. The restructuring of the local economy then was marked with this distinction between different fractions of local capital which in the following decades would be translated into a conflictual relation.

It is important to note here the role of Manisa Chamber of Commerce in preventing the emergence of an obvious contention between the industrial and agricultural capital. Those engaged in commercial activities were actually agricultural capital owners and the MOSB was established through the efforts of a few 'gentry' which held power in local politics as well as in the Manisa Chamber of Commerce. In other words, the industrial capital was invited in Manisa by a group of local gentry, who were big land-owners engaged mainly with the agricultural activities. As the Manisa Chamber of Commerce was in charge of the MOSB's administration, it also took control of directing industrial capital investments in the locality. In this way, although the entrance of the outsider, industrial capital has initiated a rivalry between the agricultural and industrial sectors, the dominance of the agricultural and small- commercial capital's dominance in local growth politics (or we can say the hegemonic control over local growth decisions) was maintained in this period through its control of the MOSB administration.

4.4.4. The Leap of The Industrial Sector (1980-1994)

The year 1980 is a turning point for Turkish economy in the sense that it represents a shift in the national accumulation strategy through an export-oriented, free-market economy. While the previous periods were marked with the strong role of state in the industrial growth of the localities through its direct investments, in the post-1980 period, the capital owners had increased their influence over the economic future of localities through their investment decisions (Boratav, 2007).

The growth of the local industry until the first years of 1980s was mainly in the form of the growth of textile and food industry. This growth in the agricultural industry continued in the period between 1980-1994 and was accompanied by the introduction of metal and machinery industry as another blooming industrial sub-sector. The development of metal and machinery industry, which formerly existed in the form of agricultural machinery, was partly due to the state incentives and partly to the increasing volume of industrial activity in the MOSB. An essential reason behind the growth of this sub-sector was the increase in the number of the main firms requiring the existence of supplier firms.

The MOSB expanded in the period between 1980-1994 and the second part was opened up in 1991. The top three firms in terms of their total employment figures in 1992 are VESTEL (established in 1983), RAKS Electronics Industries (established in 1978) and Manisa Sümerbank Textile Factory. Thus, after 1980, the opening of some other locomotive firms besides the Sümerbank Textile factory is seen. Moreover, the growth of electric-electronics industry as a prominent sub-sector besides the metal and machinery industry in this period is essential. Thus, after 1980s, the industrial structure in Manisa became diversified due to the growth of metal and machinery and the electric-electronics sub-sectors besides the traditionally important agricultural industry of food and textile. The completion of the MKSS also contributed to the growth of supplier industry specialized in the sub-sector of metal and machinery in this period.

In addition to the diversification of the type of industrial activity, it is seen that the scale of the industrial investments was also increased³⁷. Contrary to the investments of the small and medium- sized firms in the MOSB in the previous period, the growth of big- scale firms is essential in this period. In this sense, as mentioned above, VESTEL and RAKS³⁸ were the two core firms in MOSB during the 1980s and the first half of the 1990s. VESTEL has continued to be the core firm in Manisa since the second half of the 1990s when it was purchased by Zorlu Holding Group Company and enlarged. The closing down of RAKS by the end of 1990s also paved the way for VESTEL's emergence as the main firm in Manisa³⁹ in the next period.

³⁷ Although different categorizations are made by different institutions about the sizes of the industrial firms, Small and Medium Enterprises Development Organisation of the Ministry of Industry and Trade defines the firms based on the number of employees as follows: Micro Firms (1-9 workers); Small Firms (10-49 workers); Medium Firms (50-249 workers) and Big Firms (250 and more workers).

³⁸ “When I came here in 1993, RAKS was number one. I suppose that its foundation date was around 1986. Left aside Turkey, it was a firm which had a good reputation in Europe. Its owner, Aslan Öner, was really a professional guy. RAKS was the biggest firm in Manisa OSB till the economic crisis in 2000. In fact, RAKS was not very much affected from the crisis. But the downturn of its newly established factory in Russia prepared the end of the firm. The workers of RAKS were the most privileged workers in Manisa OSB. They had many opportunities from private health insurance to sports center memberships” (Funda Karaboran, vice manager of the MOSB, interviewed on 09 June 2008).

³⁹ “...VESTEL was initially established by Asil Nadir in mid-1980s and was initially named PEKEL. Before VESTEL, there was RAKS. When no big firm was around, there were RAKS and ECA Group as the main factories. RAKS, unfortunately, began to worsen in 1999 after the Russian crisis. When 2001 economic crisis hit RAKS once again, then it was totally wiped out. Today, 80% of the technical personnel in VESTEL, Merloni etc. are originally from RAKS. RAKS was a school. In the same manner, SAFİR was a school in textile sector. Besides, since the roots of ECA owners are here in Manisa, they also thankfully made important investments in Manisa. Since the end of RAKS, VESTEL is the factory which provides the biggest employment...RAKS was originally a firm of İzmir. SAFİR was owned by a native of Manisa. But it also bankrupted after the two economic crisis” (İdris Şendil, interviewed on 05 June 2008).

“When I started to work here in 1993, VESTEL was a factory in the first part of OSB; it was operating under the name of VESTEL but it was owned by Asil Nadir. There was only one production unit. They were producing TVs with the brand of VESTEL. It was sold to Zorlu Group in 1994” (Funda Karaboran, vice manager of the MOSB, interviewed on 09 June 2008).

By the ends of the 1990s, the industrial sector in Manisa had a strong position in the local economic structure. Contrary to the 1970s, the number of new investments to the MOSB considerably rised after 1980. Big-sized industries employing large number of people and fostering the growth of a dynamic supplier industry became central in city's economic life. To sum, in this period, the industrial sector in Manisa reached the point where the city ceased to solely be an agricultural production center. It is also possible to say that the investments of large-scale firms like VESTEL, RAKS and SAFİR helped the settling down of an industrial culture in the city. From the employers' side, this meant the establishment of the division of labor among the local industrial capital through the intensified and structured relations between the main and supplier industries⁴⁰. From the employees' perspective, the introduction of large-scale factories engaged in mass-production based meant the increasing demand for unskilled jobs. The supply of labor for these kind of jobs were considerably high in Manisa's local labor market due to city's agricultural background. The changing policies of the central state through less subsidies for the agricultural sector were highly influential upon the transfer of the working population to the industrial sector as well.

Thus, between the period 1980-1994, the local economy in Manisa was subject to essential changes as the composition of the local capital was shifting towards the dominance of the industrial sector and as there was considerable migration flows to the locality due to the growing industry. In this sense, this period can be described

⁴⁰ "In Manisa, there is a classical type of craftsmen, they are at the same time the local notables...These notables are also related with the agricultural sector...However, with VESTEL-in fact with the MOSB-, a new type of industrialists came to invest in Manisa since the early 1980s. VESTEL came, BOSCH came, etc. I am actually one of the guys who were disciplined by VESTEL. Willingly or unwillingly, I was affected by the industrial mentality of VESTEL...VESTEL insisted that its suppliers should be close to it and turned Manisa into a center of supplier industry. This strong demand and will was initiated with good intentions when Asil Nadir was in charge and was continued by A. Nazif Zorlu although he preferred coercion. But the actual seeds were planted by Asil Nadir..Look at today's supplier industries; most of them are the products of the Nadir period" (Ümit Yorgancıoğlu, an outsider industrialist interviewed on 26 August 2008).

as the period during which the dominance of the industrial capital vis-à-vis the agricultural capital began to unfold.

Contrary to this significant change in the composition of the local capital and the local labor, explicit conflicts were not observed in this period. Regarding local capital, two factors are identified to be influential for preventing the manifestation of the conflicts. One of them was the opportunity for the native capital to more easily invest in the industrial sector which has become more profitable when compared to the agricultural sector under the new accumulation regime. The increasing demand for the supplier industry by the main firms created suitable conditions for the native capital to engage in the industrial activities through small and medium-sized enterprises. It should be underlined that the state incentives and subsidies for the industrial enterprises were one of the main motives for the transfer of the native capital from agricultural to the industrial sector. The second factor was the presence of a considerable volume of agricultural industry- the opening of many textile firms in the MOSB is seen in this period- and this enabled an economic cooperation between the agricultural and industrial capital to some extent. On the labor side, it can be said that the lively agricultural sector which was accompanied by a growing industry were providing considerable employment opportunities for both the native and the migrant labor.

However, this so-called temporary harmony between the different fractions of capital as well as between local capital and labor was broken in the next period. As the industrial capital has empowered its position vis-à-vis the agricultural capital in the local economic structure under the new national accumulation regime, the differentiation of the interests was made explicit in the struggle for the MOSB's administration. Furthermore, the emergence of a multi-national firm-VESTEL under the rule of Zorlu Holding Group Company- as an hegemonic local actor paved the way for the manifestation of inherent conflicts between the local capital and local labor. The central state's macro-economic policy, which was presented in the 7.Five Year National Development Plan for the period 1996-2000, focusing on

the integration of national economy with the global markets has reinforced the hegemonic position of this firm in the local economic structure.

4.4.5. The Dominance of The Industrial Capital (1995- Present Day)

Following the growing volume of the industrial sector after 1980 in Manisa, multinational firms began investing in the MOSB during 1990s and 2000s. BOSCH heating devices factory, opened in 1991, is the first multinational investment in Manisa OSB. This was followed by other multinational investments, either in the form of 100% foreign capital investments or partnerships between foreign and Turkish firms, during 1990s.

VESTEL Electronics firm, which was an investment made in the previous period, was taken over by Zorlu Holding Group Company - a Turkish business group- in 1994. In Manisa, Zorlu Group, which is also involved in the sectors of textile, real estate and energy, has the production units of the VESTEL Electronics and VESTEL White Goods Companies. The electronic and white good companies have several sales and marketing branches all over the world and a white-goods factory established in Russia besides the factories operating in the MOSB (www.vestel.com.tr). Therefore, as a multi-national firm, VESTEL Electronics and White-Goods Companies concentrate their production functions in Manisa while the sales and marketing branches are located in a wide-range of countries. Recently, in VESTEL factories approximately 13.500 people of the total 26.269 workers in the MOSB are employed. Together with the supplier industry it created, VESTEL is undoubtedly at the heart of Manisa's industrial sector today.

The crucial role that VESTEL plays in local economy was expressed by the interviewees with a popular phrase used among the local people, "If VESTEL sneezes, Manisa catches the cold". Although VESTEL is thought to have significant contributions by generating large numbers of employment and supplier industry⁴¹,

⁴¹ According to the data from 30 semi-structured interviews, 46.7% (14 out of 30) of the employers of small and middle-sized industries- almost all of which were suppliers to main firms- stated that the expansion of VESTEL positively affected their business. 26.7% (8 out

almost all the interviewees stated that VESTEL is both a benefit and a harm for Manisa. The main negative effects of VESTEL on local economy expressed both in the interviews and the questionnaire survey were related to wage levels and working conditions of the employees⁴² and the relations with the employers of the supplier firms⁴³.

With regard to wage levels, the strict minimum wage policy implemented by VESTEL since 1994 is said to affect other firms to rearrange their wage levels. Since nearly half of the MOSB's total employment is under the roof of VESTEL firm, the level that VESTEL sets for its employees' wages is quite determinant on the average wage level of the industrial local labor market in Manisa. Employees stated, during the interviews and the questionnaire, that some of the other multinational firms has begun adapting their wage levels according to the decreasing wage levels.

In terms of working conditions, it is seen that VESTEL has two main impacts. One of them is the absolute prohibition of labor unioning in the firm⁴⁴. While most of the

of 30) said that VESTEL is the primary firm that they work for and 23.3% (7 out of 30) answered that the biggest firm that they work for in Manisa is VESTEL.

⁴² According to the survey data, 33.8% (71 out of total 210) of the employees stated that the expansion of VESTEL had no effect on their work life, while 7.1% (15 out of total 210) said that the wages had fallen down and 14.3% (30 out of total 210) mentioned about other negative effects related with working conditions such as diminishing social rights and hardening working conditions.

⁴³ According to the data from the semi-structured interviews, 5 out of 30 supplier industry employers *directly* stated that the most serious issue that can negatively affect the future growth of economy is "the continuation of VESTEL's monopoly over the industrial sector of Manisa".

⁴⁴ Talking about the labor unionism in VESTEL, one VESTEL worker says: "4 years ago, 700 workers attempted to join the labor union and they found themselves in front of the factory entrance. Most of these workers are 19-20 years old. VESTEL is a factory that continuously engages in high levels of labor circulation. Thus, workers know that they are hired only for a temporary period. For this reason and with the addition of fear, it seems very difficult to bring labor unionism to VESTEL factories." (21 March 2009, <http://www.tumgazeteler.com/?a=4847136> accessed on 25 January 2010).

other multinational firms, which the employees see as providing better working conditions, employ their workers with a right to be organised under labor unions, Zorlu Group has clearly declared its disapproval for labor unions in its factories. This was made apparent during the attempt of labor union activity in VESTEL factories in 2001. The attempt was resulted in the dismissal of 1000 workers at once. As the employees stated during the interviews, this incident has been keeping workers away from engaging in labor union activity since then.

The second impact of VESTEL on local labor market in terms of working conditions is the gradual hire of labor subcontracting firms in its factories. The new national working law, numbered 4857, enacted in 2003 allows employers to employ workers via intermediary firms. As the interviewees who formerly worked in VESTEL stated, the sub-contracting activity in VESTEL began in cleaning facilities and gradually expanded to cover production lines. This means that different production lines in various units of the factory are run by workers employed by different companies making subcontracting agreements with VESTEL. As one interviewee- a former VESTEL worker- mentioned, this resulted in an easily observable disunification among the workers.

Regarding the relations between supplier industry, the interviewees highlighted the fact that VESTEL has gradually pushed the competition between suppliers to an extreme level. They added that this increased competition caused a further fragmentation among the small and medium-sized industries. As the interview data has revealed, VESTEL's local hegemony rests on two basic grounds. One of them is the extensive reliance of local industrial sector to the firm in terms of both supplier industry and the local labor. The second is the powerful supra- local relations that the Zorlu Group have. While the Zorlu Group is known as having close relations with the existing government of Adalet ve Kalkınma Partisi (Justice and Development Party, AKP), VESTEL firms' production for the global markets prepared the background for the use of the rhetoric of "global competition" for the Zorlu Groups's local strategies concerning the supplier firms and the local labor.

Since the mid-1990s and especially in the last decade the industrial sector has gained superiority over the agricultural sector in Manisa. Under the new accumulation strategy, the investments of a multinational-firm and the growth of a considerable volume of supplier-firms empowered industrial capital's position in the local economic structure and it was followed by its rising power in local growth politics. Due to the increasing involvement of the native capital in the industrial sector- mostly as supplier firms-, the initial distinction between the outsider, industrial capital and the native, agricultural capital began to be blurred. Nonetheless, it was identified through the interviews that there is a separation among the local industrial capital in the form of the big, outsider industrial capital and the small and medium- scale, native industrial capital.

While the restructuring of the local economy in the post-1980 period was marked with the rising contention between different fractions of capita, in the recent period, the local industrial capital also seems to be fragmented. Although this fragmentation was not reflected to the struggle of the MOSB's industrialists for the MOSB's administration against the MTSO during which the industrial capital acted as a block against the agricultural and small-commercial capital, it is central to grasp the inner dynamics of the local growth politics. This fragmentation among the local industrial capital stems from the differences between the local dependences of big and small and medium- sized enterprises as well as their supra-local connections. These differences are determinant upon the local actors' engagement to local growth politics. While it is seen that small and medium-sized entrepreneurs try to gain power through their active involvement in the local branches of the political parties and thus having influence over the central state decisions, big- sized enterprises generally build direct connections with the central state institutions. These issues will be elaborated in the next chapter.

4.5. Conclusion

In relation with the national economic and political context, four turning points which mark the history of industrial development in Manisa are identified. The first one is the opening of the MOSB in line with the spatial organisation of the national industry at a time which was pictured by the concentration of industrial activities in a few centers. In this respect, the closeness of Manisa to İzmir- as one of these national industrial centers- was the primary factor determining the establishment of an OSB in Manisa. The introduction of an OSB in a national agricultural center initiated the restructuring of the political- economy of the city since then. Until 1980, the pace of the industrial investments was low and as a result of the fact that the MOSB's administration was under the rule of the MTSO- dominated by small-commercial capital a considerable part of which also engages in agricultural production as land owners-, the co-existence of the industrial and agricultural sectors did not result in apparent conflicts.

The change in the national accumulation strategy by 1980 is the second turning point since the new macro- economic policies put in practice created favorable conditions for the industrial capital through state- incentives and subsidies for export- oriented production. This brought about the emergence of big industrial capital in the locality and considerably increased the volume of industrial investments. The textile industry which made a boom during the 1980s was influential upon the temporary harmony between the agricultural and the increasingly powerful industrial capital. However, growing number of investments has a consequence on the diversification of the industrial activity and core firms in different sub- sectors besides the textile and food sub- sectors emerged in the MOSB. One of them was VESTEL operating in the field of electrics- electronics and its purchase by Zorlu Holding Group Company in 1994 is identified as the third turning point in Manisa's industrial development history.

The successive investments of the Zorlu Group via electrics- electronics and white good factories has placed VESTEL firms at the heart of the local economy, both in

terms of the employment opportunities and the demand for supplier- firms it created. Through native supplier firms, the transfer of the agricultural capital to the industrial sector was observed since the 1980 and it was reinforced by the demand created by the VESTEL firms. These significant changes in the composition of the local capital was manifested in the form of a conflict between the agricultural and small- commercial capital and the industrial capital around the struggle for the MOSB's administration. This struggle which began in 2000 by the enactment of the new law on OSBs is designated as the fourth turning point. The MOSB's control was taken by the MOSB industrialists in 2008 and the long-time dominance of the MTSO in determining the industrial growth agenda and in holding the control of local resources for industrial growth was abolished. A detailed analysis of this process will be made in the next chapter.

CHAPTER 5

THE FRAGMENTED LOCAL BUSINESS COMMUNITY: THE DISPUTE AROUND MANİSA OSB's ADMINISTRATION

The restructuring of the local economy in the post-1980 period and the changing local power balances between the agricultural and the industrial capital has been manifested as the challenge of the industrial capital interests against Manisa Ticaret ve Sanayi Odası (Chamber of Commerce and Industry of Manisa, MTSO) dominated by the small- commercial and the agricultural capital's interests. This challenge concerned capturing the administration of the Manisa Organize Sanayi Bölgesi (Manisa Organised Industrial Estate, MOSB) which was under the rule of the MTSO since its establishment. By analysing the struggle around the MOSB's administration, the main aim of this chapter is to discuss and prove the conflictual nature of local growth politics with a focus on the local business community.

Central to this discussion is the differences between the local dependences of different fractions of capital and between the different sections of the industrial capital. The argument is that the differing factors of local dependence signify the differentiation of the capital interests and this results in the emergence of diverse growth agendas and strategies adapted by different fractions of capital. Moreover, although they are dependent on the locality through similar factors, there are inner differentiations regarding the dependence of different groups of the industrial capital on the same factor.

The relations built with supra-local actors (especially with the central state) in order to pursue these diverse local interests is the other central issue around which the discussion will be carried out. While the contention between the different fractions of capital is the backbone of the struggle to be analysed, the inner fragmentation of the industrial community is essential to mention. The distinction between the small and medium-sized industrial entrepreneurs and the big industrial capital is especially made explicit in these supra-local relations as both their strength and

form show variations. Identifying these variations is important for grasping the dynamics of local growth politics.

The chapter is designed under two main sections. In the first section, the inner fragmentation of the local industrial community will be presented. In the second section, in spite of this fragmentation, the struggle that the industrial capital gave against the agricultural and small- commercial capital will be dealt. While the aim of the first section is to shed light on the existence of differentiating interests among different industrial groups besides those between the industrial and the agricultural capital, the second section will try to prove that these various interests are not resolved around a local coalition or a state of local coherence as opposed to the mainstream arguments, in particular to those of the urban regime approach.

Before proceeding, it is worth mentioning the significance of holding the control of OSB administrations for gaining power in local growth politics. In the first place, OSB administrations have been the most authorized local institutions for making decisions about the future of industrial development in the localities and their authorities were increased by the new OSB law numbered 4562 and dated 12.04.2000. Both prior and after the new law numbered 4562, Ministry of Industry and Trade has been the institution which permits, controls and coordinates the establishment of OSBs as well as financially supports them (Eyüboğlu, 2005). The establishment of the Organize Sanayi Bölgeleri Üst Kurulu (Supreme Organisation of Organised Industrial Estates, OSBÜK) as an umbrella organisation for the OSBs by virtue of law 4562 introduced the partial transfer of the coordination role of the Ministry to another body. However, Ministry of Industry and Trade still has the right to control and make necessary interventions to OSBs' managements. As the establishment phase⁴⁵ comes to an end, the directory boards of OSB administrations

⁴⁵ The establishment phase of an OSB includes the initial application, site selection (site is decided by a joint committee headed by the Ministry of Industry and Commerce and including the representatives of the local branches of ministries and the representatives of the provincial administration or the municipality- if there is a proposed site for the OSB and if it is within the municipal border-), and the signing out of the establishment protocol. This protocol should be signed by one *or* more of these institutions: The Special Provincial

become the primary body whose members are elected by the ‘entrepreneurial committee’.

The entrepreneurial committee is formed by the representatives of the local institutions, which are assigned as constitutive institutions in the establishment protocol. The number of the representatives that each participant institution would have in the committee is determined according to the financial contribution of these institutions. In the case of the MOSB, the Manisa Chamber of Commerce, the Manisa Governorship, Manisa Municipality and the Chamber of Stock Exchange of Grape and Tobacco were the participant institutions signing the establishment protocol. However, as the newspaper archive search has shown, the participation of the institutions except for the Manisa Chamber of Commerce was limited to the initial, establishment phase since the financial contribution that was made by these institutions was paid back to them by the Manisa Chamber of Commerce.

The law and regulations on the OSBs indicate that the local state institutions and the local business associations are defined as the potential participants in the establishment and management of the OSBs. However, as the financial contributions in the initial period are central for the realization of the OSB project, the local state institutions who are generally suffering from inadequate budgets are left out of the process in practice. Prior to the new law, local business chambers were holding the control of OSBs’ administration while the municipality was responsible to make the development plans for the OSBs if it was within the municipal borders as well as giving the construction and building permissions for the factories. However, the new law transferred these responsibilities to OSB administrations which are also authorized for making expropriations with the approval of the Ministry.

Administration, the Municipality or the Greater Municipality, The Chamber of Commerce and Industry and other industrial business associations or cooperatives. The Governor should have an affirmative opinion about the protocol and it should be approved by the Ministry of Industry and Commerce before it is put in practice.

Moreover, the new law introduced the possibility of the management of the OSBs by the industrialists rather than by the Chambers of Industry and Commerce as the authorized local business associations. This change has caused disputes between existing administrations of OSBs under the rule of these chambers and OSB industrialists in some localities. However, the transfer of OSB's administration to the industrialists are conditioned⁴⁶. In the current practices, OSBs in Turkey are managed in 4 different ways (TEPAV Sanayi Politikaları Grubu, 2006):

1. An entrepreneurial committee which has a mixed structure formed by the participation of local chambers, municipality and OSB industrialists under the leadership of the Governor.
2. An entrepreneurial committee which has a mixed structure but with the outweighing existence of one of the actors mentioned above.
3. In the OSBs which are established by the chambers, 7 of the total 15 members of the entrepreneurial committee has to be elected among the OSB industrialists if industrial production actively takes place on 1/3 of the total parcels of OSB.
4. In the OSBs which are established by the chambers, if active production takes place on more than 2/3 of the total land of OSB, there should be a general assembly for taking over the management of OSB completely by the industrialists.

In Manisa case, the initial situation after the law was like the one described in number 3⁴⁷ above while in the current situation it took the form mentioned in

⁴⁶ For the representation of OSB industrialists in the entrepreneurial committee, which is defined as the highest decision-making unit of OSBs by the law, the number of active firms in OSB should be at least 1/3 of the total industrial plots in the OSB. In order for the industrialists to gain the right for general assembly, the number of active firms in OSB should exceed the 2/3 of the total industrial plots in the OSB or it should be certified that the credit loan is totally paid back by the OSBs which used the financial credit supplied by the Ministry of Industry and Commerce (Article 14 and 18 of the Executive Bylaw of the OSB Law numbered 4562).

⁴⁷ In this situation, Manisa OSB was managed by a directory board of seven people. The chairman of MTSO is the automatic member and the chairman of this directory board.

number 4. In the initial situation although industrialists had the chance to actively take part in the decision-making board of the MOSB, the MTSO was still the dominant institution over the decisions due to the more members it had in the entrepreneurial committee.

The implications of the new OSB law was discussed at the national level and in this sense the evaluations made by the think-tank institution of Türkiye Odalar ve Borsalar Birliği (The Union of Chambers and Commodity Exchanges of Turkey, TOBB- the supreme organization of the local chambers of commerce and industry), Türkiye Ekonomi Politikaları Araştırma Vakfı (Economic Policy Research Foundation of Turkey, TEPAV) is worth mentioning. It was argued in a working paper by TEPAV that there emerges a contradiction when public authority is used by the OSB industrialists who have the legal status of a private body. In other words, it is stated that the management of OSBs by directory boards which are solely formed by the private entrepreneurs may jeopardize the use of public authority. It is also claimed that OSBs, which are essential for enhancing the profitability and efficiency of firms, run the risk of being centers for generating ‘rent’. This is due to OSB administrations’ authority for the provision and sale of industrial land and the pricing of the infrastructural services which may be utilized in a way to generate rent.

The point about the likelihood of land speculation, without making a separation between the rule of the local chambers and the industrialists in OSB administrations, was also mentioned by scholars. Land speculation tends to be the case especially in localities where the demand for industrial lots is high. In such localities, the entrepreneurial committee may keep the available industrial lots empty rather than allocating them to demanding investors (Eyüboğlu, 2005). Besides the control of industrial land as an essential local resource, OSB administrations also decide about the investment priorities in the OBSs and set the

Three of the remaining six people were chosen among the council members of MTSO, two people were chosen among the industrialists of MOSB and the remaining seat was for the professional executive of the MOSB.

prices of the services provided in the OSBs such as water, electricity, natural gas, hot steam etc. The control on setting the prices of these services is central for the industrialists as a means for reducing the production costs. Consequently, the OSB administrations are essential loci of power in localities given the fact that they are the main local decision- making authorities having the control of the local resources which are central for industrial production.

5.1. The Inner Fragmentation of The Local Industrial Community

5.1.1. Small-Producers & Artisans vs. Industrial Businessmen

Three main type of industrial entrepreneurs can be identified in the industrial business community of Manisa. These types which overlap with the commonly used categories of enterprise sizes are:

1. Small-producers and artisans,
2. Owners of medium-sized industries,
3. Owners of big-scale national and international industries.

Small-producers and artisans, who are concentrated in Manisa Küçük Sanayi Sitesi (Manisa Small-Sized Industrial District, MKSS), can be characterized by the micro and small sizes of their enterprises (employing less than 50 workers), the limited amount of investment capital and the close relation of the entrepreneurs with the agricultural sector. Another main characteristics of these entrepreneurs is that a considerable part of them is family business⁴⁸. Thus, most of these entrepreneurs are native people of Manisa. It is possible to define these industrial producers under two main categories regarding their product types and sales markets. The first category is the traditional artisans producing agricultural machinery and equipments. The other is comprised of the employers who are supplier industries of the main firms. For both types of entrepreneurs, the small amount of invested capital together with low-level production technology is another defining feature.

⁴⁸ Among 30 small-sized and medium-sized employers who were intervieweed in MKSS and MOÖSB, 16 stated that they took over their existing businesses from their fathers.

An essential difference between these two categories of small-sized industrialists is their ‘entrepreneurial attitudes’ and the level of engagement in the agricultural sector by the entrepreneurs is quite determinant upon this attitude. When compared to the supplier enterprises, the traditional artisans tend to be more closely involved in agricultural activities as land-owner farmers. As significant amount of revenue is generated from agricultural activities, artisans are generally reluctant to make capital transfers to their small-sized industrial enterprises⁴⁹.

Contrary to these entrepreneurs who basically remain as farmers⁵⁰, there are small-scale entrepreneurs whose capital investments are mainly directed to industrial production. It is seen that a considerable number of the MKSS firms have grown into medium-sized enterprises in the last decade which is indicated by the emergence of Manisa⁵¹ and Muradiye⁵² Orta Ölçekli Sanayi Bölgeleri (Medium-Sized Industrial Districts, OÖSB).

⁴⁹ “One of the reasons for our underdevelopment in commerce and industry is the fact that people of Manisa are opt to taking the easy way out. *The small artisans have trusted in their small amount of land besides their small businesses and have not consider making investments in industrial activities*” (Hayrullah Solmaz, Chairman of the Provincial Council of Manisa; http://www.manisahurisik.com/haber.php?haber_id=959)

⁵⁰ “*We were brought up on fertile lands. Until 1950s, small tradesmen and artisans engage in commercial and industrial activities as a hobby. Because everyone in Manisa had vineyard at that times. People established their enterprises in order to have a place to go in winter times instead of killing time at coffee houses. It is difficult that people who got used to such comfort will push themselves hard. In places where the land is not fertile, people show maximum effort. Manisa is a city which has always been in sluggishness*” (Hüseyin Elmalı, Member of the directory board of management cooperative for the MKSS and the head of Chairman of Chamber of Carpenters and Wooden Works; interviewed on 30 May 2008).

⁵¹ “Manisa OÖSB was determined as an industrial area approximately six years ago by Manisa Municipality through a plan decision. At the beginning, very few firms came to the district. Its growth has gained considerable pace in the last 3-4 years...Almost all of the firms here are the enterprises which formerly grew in MKSS. Today, there are 45 firms, most of which are suppliers of the MOSB firms, and nearly 2500 workers are employed in Manisa OÖSB” (Abdürrahim Arslan, the Head of the Manisa OÖSB Development Association, interviewed on 30 May 2008).

⁵² “The land of Muradiye OÖSB is allocated as industrial area by the decision of the Council of Muradiye Municipality on 03 May 1996. After the legal requirements had been fulfilled about this land, a decision was taken by the municipal council of Muradiye on 03

A considerable part of the medium-sized enterprises are supplier industries of the core firms in the MOSB. Out of the total 30 small and medium-sized entrepreneurs interviewed, 17 said that they sell their products only to main firms and 6 to both directly to the market and to main firms while only 5 entrepreneurs stated that they directly produce for the market. Besides, 23 of the total 30 entrepreneurs stated that the city to which they primarily sell their products is Manisa and that the primary cities they bought the raw material from were İzmir and Manisa. These results indicate that the main operational scale of the medium-sized industries is the local scale. In other words, medium-sized firms are highly dependent on the relations that they built with the main industries in Manisa in order to sustain their businesses.

It was stated in the previous chapter that the growth of medium-sized enterprises in Manisa is directly related with the increase in the investments of large scale national and international firms in Manisa⁵³. The employers interviewed in MKSS and Manisa OÖSB declared that VESTEL, ECA Group, Çukurova Group and Olgun Steel Industry are the main firms that they sold their products in Manisa. All these main industries are outsider firms and most of them have their headquarters in İstanbul. The fact that the industrial sector has grown with the investments of the outsider capital and the problems associated with this form of growth was mentioned by most of the interviewees. The exogeneous character of local economic development and the associated problems will be elaborated in the following section.

February 2000 for the industrial activities to begin in the area. Today, there are 49 enterprises which operate in different sectors and 3000 workers are employed in Muradiye OÖSB” (İsmail Kurtoğlu, Head of Muradiye Industrial District Development Association, 03 August 2006, Manisa Haber Newspaper).

⁵³ “Medium-sized industry is growing through its own efforts. *There are giant firms in MOSB like VESTEL, Bianchi. They inevitably work with supplier firms which support them. By this means, a lot of people in Manisa became business owners in the MOÖSB.* In fact, OSB does not support medium-sized industries. They say, if you can not have a place within the borders of MOSB, then take care of your business on your own. (Ömer Yerkazanoğlu, a businessman in construction sector, the head of MASİAD; 4 August 2008, http://www.manisahuristik.com/haber.php?haber_id=774).

The inner fragmentation of the industrial capital is put forward as a mentality difference between ‘small-producer & artisan culture’ and ‘industrial business culture’ by most of the interviewees. In this sense, an industrialist from İzmir who now involves in furniture production in Muradiye OÖSB states:

“Small-sized industrial producers in Manisa are people who go to work at 10 a.m. and leave at 5 p.m. and who do not force themselves for mass production. They give unacceptable prices to customers. They subsist one week with one piece of work. Such producers are generally in MKSS. *These are the gentry which have close contact with agriculture. They have spent their years by thinking on how to engage in local politics so as to increase the value of their lands.* But now, new age industrialists emerged with VESTEL, more correctly with the MOSB” (Ümit Yorgancıoğlu, interviewed on 26 August 2008).

The above quotation refers to the intense engagement of the small- producers & artisans in the agricultural sector and as land- owners to the centrality of gaining land rent in their local interests. As mentioned in Chapter 3, small- producers and tradesmen’ dominance in local municipal councils and thus the influence they have on local state is an important means for the pursuit of their landed- interests. The distinction between the entrepreneurs who are engaged in small industrial production as well as agricultural and small commercial activities and those concentrated in industrial mass production is based on the differentiation of their local dependences and thus their growth agendas. For the small entrepreneurs, the land-ownership is the basic economic dependence factor and their long-term influence in the local state institutions can be regarded as a political dependence factor. On the other hand, the medium and big- sized industrial entrepreneurs are mainly dependent on the local labor and the infrastructural services. A general evaluation of the local industrial business community in Manisa indicates that the differentiation of the local dependence factors result in the divergence of the economic interests. This, in turn, brings about diverse growth agendas and political strategies.

While the landed- interests target the municipality as the main loci of power in the realization of their interests, the industrial businessmen try to capture other loci of power in the locality like the MOSB administration or to built direct connections with the central state as Zorlu Group does. However, although medium- sized enterprises can be regarded as sharing the same industrial entrepreneurial motive with the big industrial capital and thus diverge from the small- producers primarily having landed-interests, there is an apparent difference between the medium- sized and big producers in terms of their engagement in local politics. While big capital's active participation to local growth politics is restricted to its membership in the directory board of the MOSB, it is seen that the owners of the medium- sized enterprises are intensely engaged in local politics through the channels of political parties and business associations. The interviews have revealed that the owners of the medium- sized enterprises (most of whom are native people of Manisa) have active positions in the local branches of the different parties political branches as well as being active members of the MTSO (Also See Appendix 6).

5.1.2. Native vs. Outsider Industrial Capital

The secondary role that native industrialists have in the local economy vis-à-vis the outsider investors is stated by almost all of the businessmen and the workers interviewed⁵⁴. Besides, it became apparent during the interviews that not only big-sized firms in the MOSB are owned by the outsider capital but the medium-sized firms are also dominated by the outsider investors⁵⁵. The growing medium-sized firms owned by native entrepreneurs are seen by many industrialists as a powerful tool for enhancing the position of native capital vis-à-vis the outsider capital in

⁵⁴ The statement of “Native industrialists have a secondary role in Manisa” was made by N.Arusan, A.Arslan, C.Kaplan, İ.Şendil, M.Özkösemen, Ö.Yerkazanoğlu, A.Efendioğlu, H.Bayraktar, C.Mercül, M.Pala and BOSCH workplace representative of Türk Metal Sendikası.

⁵⁵ “The proportion of native and outsider firms are nearly fifty-fifty in the MOÖSB. We want the number of the native industrialists to be more, but it is unfortunately not the case for today. *Employers who are not from Manisa still dominate*” (Abdürrahim Arslan, an industrialist in the MOÖSB, interviewed on 30 May 2008).

Manisa⁵⁶. The vital need for financial, technological and institutional support for the small- producers in the MKSS either by the state institutions and/ or the local business associations was also declared by the interviewees. With respect to the secondary role of native industrialists and the need for enabling them to have a leading role in the local economy, a native industrialist made the following statement:

“In this industrial district, most of the employers come from İzmir. However, most of the entrepreneurs here should be comprised of native people and local leaders should support native capital owners in order to carry their enterprises from small to medium-sized and then to big-sized firms. However, there is a lack of coordination in Manisa. The municipality, business associations, the governorship are all disconnected” (Çetin Güngür, an industrialist in the MOÖSB; 11 August 2008, http://www.manisahuristik.com/haber.php?haber_id=809).

Regarding the central role that MTSO should have in the enhancement of native employers, a native medium-sized industrialist stated:

“Manisa has not been able to bring out its own industrialists. OSB has grown enormously but there are hardly any native industrialists. YONCA, Kurtoğlu, Sipil etc. are some of the few native firms. Maximum 10% of the 130 active MOSB firms is owned by native entrepreneurs and half of them are suppliers, including my firm. MTSO has not provided the required infrastructure for enabling the existence of its own members in the MOSB. It did not produce parcels which may lead to the participation of smaller firms which may then grow in OSB...If we want Manisa’s industrial sector to develop, first of all we need to increase the number of native industrialists in the MOSB. Secondly, we need to search for attracting new outsider firms to Manisa OSB. Lastly, if it is not possible to invite smaller firms to OSB, then, we have to support them in other ways for making them national and international firms. We have successful employers in industries of furniture, shoe-

⁵⁶ “The medium-sized industry in Manisa has a significant place in Turkey. Medium-sized industries are vital; they carry the economy all over the world. They are least affected by economic crisis...*Manisa’s medium-sized industry should grow. Then, the number of native industrialists would be increased and the unemployment rate would decrease.* However, people of Manisa do not have any intentions to become industrialists. Most of them have vineyards and they think that it is enough for them. But this should not be the case. *Native employers should exceed the outsider employers*” (Haldun Tamer Kurtar, a medium-sized industrialists; 12 August 2008, http://www.manisahuristik.com/haber.php?haber_id=812)

making and agricultural machinery. Some of them are exporting their products, even some has significant export volumes. Concerning these three issues, MTSO has to work really hard. It should organise the business relations in Manisa in a way to ensure the development of the contact between employers in the MOSB and other industrial and commercial businessmen. If such organisations, institutional attitudes are established in Manisa, then, the industrial sector can develop and the value-added that Manisa produces from industrial sector may be increased” (İdris Şendil, a native industrialists working as a supplier; interviewed on 05 June 2008).

Commenting on the problems of medium-sized industrialists and the leading role that the municipality should have in searching for solutions, a native industrialist said:

“The state gives support to entrepreneurs who establish firms out of scratch. However, since MOÖSB can not hire people who will search for these incentives, the large scale, outsider firms, which are located in the MOSB, makes use of most of these incentives. Unfortunately, there are few native industrialists in Manisa. The situation in MOÖSB is a bit better. *We always complain that the university is disconnected with the city, but the industrial sector is also disconnected. Our capital owners have been slow to establish industrial enterprises. I do not reckon why corporate projects are not realized. First of all, there has to be a will to make the initial steps. The municipality is the most reasonable local institution to perform this function*” (Abdürrahim Arslan, an industrialist in the MOÖSB; 08 August 2008, http://www.manisahurisik.com/haber.php?haber_id=796).

It is clear from the above quotations that the distinction between the native and the outsider investors are rised by the native small and medium- sized entrepreneurs who are complaining about the lack of financial and infrastructural support to them. While the absence of legal regulations about the medium- sized firms is a national level factor affecting the role of the medium-sized firms in the local economy, the ignorance of the small and medium- sized firms by the MTSO during its long-term control of the MOSB emerges as an important local factor. Thus, it can be stated that the competition for the central state resources and the disadvantaged status of the firms in utilizing the local resources (industrial plots and the infrastructural services provided in the MOSB in particular) are the two main factors behind the

distinction between the native and the outsider industrial capital. In other words, the exogeneous form of industrial growth has created a local picture in which the outsider industrial capital easily utilize the local resources as well as the central state incentives whereas the native investors, who have transferred capital from the agricultural to the industrial sector, have found themselves in a disadvantaged position vis-à-vis the outsider capital in this sense.

The negative effects of the exogeneous form of industrial growth in Manisa was also mentioned by the interviewees in the statements of “the escape of economic values to İzmir” and “the generated added-value from the industrial sector is low in Manisa”. Regarding this issue, an architect and a native businessman involved in the construction sector stated:

“There are not many industrialists who are from Manisa in the MOSB. *When the boss of a firm is from Manisa, then my chances are higher.* I entirely built the second factory of Kurtoğlu Firm (a native firm). Firstly, I made the architectural plan, and then the construction and these are followed by the factory’s interior design and decoration. On the other hand, last year, we worked with VESTEL in the construction of its storage buildings. However, we were only be able to produce the architectural project. My construction firm can not be on the same line with a big firm like VESTEL. VESTEL found itself a construction firm which can meet its demands. I only produced the technical project; I only derived a certain amount of benefit from VESTEL’s new building project. *If Manisa had more native industrialists, then more money would stay in Manisa. But since the firm owners are from İzmir, İstanbul, Gaziantep, Eskişehir etc., they generally do not engage with you. If it is not urgent, they do not prefer to make business with Manisa firms*” (Atilla Efendioğlu; interviewed on 30 August 2008).

Similar comments were made by other interviewees underlining the issue that most of the firm managers in the MOSB tend to maintain their business relations with the firms in İzmir as well as those in other cities. This is related with the fact that white-collar workers, especially those who are at high level decision-making positions, are not from Manisa and that they have already established business relations in other

cities. Therefore, instead of building new relations with the firms in Manisa, they prefer to go on to make business through their existing contacts.

Thus, the discussion so far reveals that the distinctions made between the native and outsider investors rest on the different benefits gained from local industrial growth depending on the differences in the utilization of the local resources and the central state incentives. When the separation of the small-producers and artisans primarily having landed-interests from the industrial businessmen is also taken into account, it emerges that the industrial community in Manisa is comprised of different groups with diverse local interests and with different political strategies for pursuing these interests⁵⁷.

5.2. The Conflict Around The MOSB's Administration

Given the inner fragmentations of the developing industrial sector in Manisa, this section will focus on the conflict between different fractions of capital in the locality. As the new law on OSBs has enabled the OSB industrialists to take the control of the OSB administrations, a contentious process was triggered between the MTSO and the MOSB industrialists organised around Manisa Organize Sanayi Bölgesi Sanayicileri Derneği (The Association of the Industrialists of The Manisa Organised Industrial Estate, MOSBSD). This struggle for the control of the MOSB administration was the manifestation of the changing power balances between the agricultural & small- commercial capital, represented by the MTSO, and the industrial capital, represented by the MOSBSD towards the dominance of the industrial capital. The new regulation concerning the management of the OSBs clearly shows that the central state has empowered the systemic power⁵⁸ of the

⁵⁷ The establishment of the Manisa and Muradiye OÖSB is a good example for the differentiation of the political strategies. As the medium- sized enterprises can not find a place to themselves in the MOSB controlled by the MTSO, they negotiated with the Manisa and Muradiye Municipalities for the necessary sites.

⁵⁸ 'Systemic power' as an attribute of the socio-economic system refers to the circumstance that the decision- making authorities are situationally dependent upon some interests rather than others (Stone, 1980). It is defined to underline the superior position of the business interests over other local interests regarding their influence on local state institutions by the

industrial capital vis-à-vis the power of the agricultural capital in local growth politics.

As the national accumulation strategy adopted by the central state is a determinant factor for the relative power of the different fractions of capital, the differences in the ties that they build with the supra-local actors (in other words their reach to national politics) is the other key factor affecting the positions of different business actors in local power structure. In this sense, the existence of the Zorlu Group, which has close and direct connections with the government, as a member of the MOSBSD strengthens the hand of the OSB industrialists in their struggle against the MTSO.

Although the MTSO has strong ties with the national level politics due to the membership position that its chairman- Bülent Koşmaz- hold in TOBB, the MTSO adapted a political strategy which primarily targeted the support of the local actors. MTSO's informal link with the local branch of the Milliyetçi Hareket Partisi (Nationalist Movement Party, MHP) and the Türk Metal Sendikası (Trade Union of Turkish Metal Workers, TMS), which is also organically connected to the MHP, via Bülent Koşmaz was the backbone of its local strategy. As a part of this strategy, in spite of the growing number of native firms, the MTSO strongly relied on the use of the rhetoric of “native people of Manisa vs. the outsider industrialists”. In other words, in order to maintain its position in the local growth politics, the MTSO put emphasis on its local ties against the OSB industrialists having powerful supra-local relations. It can be stated that the use of such a strategy is consistent with the local dependences of the interest groups it actually represents. When compared to the industrialists, who are mainly dependent on the infrastructural services, the relations of supplier- main firms and the local labor, the local dependence factor for the agricultural capital, i.e. the land ownership, is almost impossible to substitute elsewhere.

urban regime approach. Given the Turkish national context in which the central state is the main decision-making authority for the economic growth in localities, the decisions of the central state in line with the national accumulation strategy is determinant upon the dynamics of local growth politics.

Before proceeding with the analysis of the struggle between the MTSO and the MOSBSD, presenting the perceptions of the local businessmen and the workers interviewed on the issue is thought to be useful for having insights about the conflict. In this sense, small and medium-sized industrialists were asked if they were aware of the struggle between the MTSO and the MOSBSD, 27 out of a total number of 30 responded to the question and 21 of them stated that they were aware of the ongoing struggle. The basis for the struggle was asked to those who stated that they were aware of the incident. The most commonly given answer was “the will to control the big budget of Manisa OSB”⁵⁹. The interviewees were also asked what kind of changes are likely to emerge after the taken over of OSB’s management by the industrialists. Some of them (6 out of 14) stated that they expect no particular change while two interviewees stated that time would show. In addition, one interviewee said that the new management and followingly the local industrial community would explicitly be dominated by the Zorlu Group and one mentioned that the probability of small- scale industrial producers to exist in OSB would disappear.

Similar comments were made by other interviewees, among whom there were medium-sized firm owners and businessmen involved in the construction and commercial activities. The will to control the budget of the MOSB was also the mostly mentioned issue for the reason behind the struggle between MTSO and MOSBSD by these interviewees. As a considerable part of these interviewees were native people both having formal or informal connection to MTSO and to the MOSB industrialists, the need for a common solution was the mostly made comment. Thus, it is understood that most of the local businessmen who were not actively involved in the struggle has adapted a relatively neutral position and has refrain from advocating the claims of one of the two opposing groups. Within this respect, Nejat Arusan, who was a former member of MTSO council- stated that the industrialists may take biased decisions which would empower the dominant

⁵⁹ The sum of annual budgets of the Manisa Municipality and the Manisa Governorship was declared as 126 trillion TL while the single budget of the MOSB was 183,5 trillion TL in 2005 (<http://kalkinma.org/?goster.asp?sayfa=haber&id=2101>; 10 September 2005).

position of a few firms- in particular the VESTEL firms- although he criticized MTSO for pursuing the discourse of “Manisa citizenship” during the struggle. The likelihood of the biased decisions that would be taken by the new administration was also mentioned by interviewees involved in industrial production. These comments mainly refer to the worries about the increasing hegemony of the Zorlu Group, which has a member in the new directory board of the MOSB.

The concern about the increasing dominance of the Zorlu Group was also mentioned by labor representatives. The chairman of TMS, Hüseyin Özben, stated that VESTEL obstructs the investments of big capital in the MOSB, those big firms who are likely to be alternative to VESTEL firms. He said that by this way Zorlu Group tries to avoid sharing the markets of local labor and supplier industry in case of the existence of another core firm. In this sense, it can be said that the Zorlu Group tries to keep its local dependence factors (local labor and supplier firms) under absolute control. TMS representative from BOSCH mentions another possible outcome of the dominance of main firms by stating that new directory board of Manisa OSB is composed of those industrialists who do not allow labor unionism in their firms. He added that the change in MOSB’s administration will not bring benefit to the local labor.

Having insights about the industrialists will to control the MOSB administration and the central role that the Zorlu Group has in the struggle against the MTSO, in the following section, the contentious process between the MTSO and the MOSBSD covering the period of 2000 -2008 will be discussed by examining the growth agendas, spaces of dependence and spaces of engagement of these two opposing groups.

5.2.1. Divergence of The Local Growth Agendas

In order to identify the differentiation of their interests and preferences, the basic growth ideas put forward by the MTSO and the MOSBSD are important. Contrary to the argument of the urban regime approach about the establishment of ‘a shared sense of vision and direction’ for the future of local growth through ‘interest-mediation’ and ‘coalition building’ between conflictual local interests, the aim is to show that different local capital interests have diverse local growth agendas. Besides, it is essential to note that the local labor and the local state institutions are not included in these growth agendas which points out that a local coalition between the local public and private actors as argued with the urban regime approach is not realized.

While the arguments that are used by the MTSO and the MOSBSD during the struggle for the control of the MOSB’s administration reveal the differentiation of their preferences and priorities regarding local industrial development, the interviews have shown that an agreed-upon future vision for the local economy does not exist in Manisa. Responding to the question about the potential problems for the future of the local economy in Manisa, a considerable number of interviewees stated that ‘Manisa should determine its priorities’. It was mentioned that the city has got economic potential in a multiplicity of sectors (as a part of the local entrepreneurial strategies the tourism potential of Manisa is recently emphasized by the local state institutions) and therefore future growth should urgently be planned by setting the priorities through a joint effort⁶⁰.

Given the lack of a shared local vision by the local public and private actors, the differentiation of the growth agendas of the small- commercial & agricultural capital and the industrial capital is clear from the arguments of the MTSO and the

⁶⁰ In this respect, a member of MAGİAD’s directory board, İsmail Ömer Özkara, stated: “*First of all, Manisa should identify its mission. The city must put its future targets forward and determine whether it will be a tourism city, an industrial city or an agricultural city...In my opinion, a growing industrial sector may be an advantage in the way to become a big city*” (22 August 2008, http://www.manisahurisik.com/haber.php?haber_id=854).

MOSBSD. It is seen that in line with its local strategy for maintaining its control over the MOSB, the MTSO relied on the argument that MTSO aims to enlarge the MOSB⁶¹ and thus to increase the employment opportunities provided in the locality. While the importance of good- quality service provision at reasonable prices to the industrialists was also underlined⁶², the priority was given to attracting new investments to the MOSB and to increasing the supply of local jobs. On the other hand, as the chairman of the MOSBSD- Nihat Akyol- stated the MOSB industrialists gave priority to service provision at lower prices⁶³. Nihat Akyol also said that the MOSB has grown enough and the main target of the new MOSB administration would be the enhancement of the MOSB in terms of infrastructure and service quality. While the MOSB industrialists have more specific interests on which they built their industrial growth agenda, the MTSO developed a more comprehensive growth vision through which it tries to place itself as the defender of other local interests- like the interests of the local labor- in the area of local growth politics. This strategy targeting local labor should be seen as a part of its wider political strategy in which it underlined the importance of Manisa citizenship against the MOSB industrialist dominated by the outsider investors. In this sense, the arguments used by the MTSO against the MOSB industrialists point out to the

⁶¹ Some interviewees stated that the MTSO tried to block industrialists through opening the IV and V. parts of the MOSB as the law binded the gathering of the general assembly by the OSB industrialists to the condition of active production on at least 2/3 of all OSB plots. In this sense, although the industrialists legally had the right for gathering the general assembly of the MOSB since the credit taken from the Ministry was paid back (the second condition defined in the law numbered 4562), MTSO is said to create opportunities for securing its position in the MOSB's administration through the enlargement of the MOSB.

⁶² As one interviewee stated "The possibility of providing energy in cheaper prices was discussed by the MOSB industrialists. MTSO had a point of defence regarding this discussion. MTSO was saying that if I sold energy in cheaper prices, VESTEL will make a 1 trillion TL profit out of this while a medium-sized firm will gain 1 million TL. Thus, MTSO had a concern that the selling of energy in cheaper prices will benefit the big firms. Therefore, for a long time it kept energy prices within current market prices" (Can Mercül, interviewed on 26.04.2009).

⁶³ After the transfer of MOSB administration to the industrialists, Sait Türek, the head of MOSBSD, said: "The essential thing is to put effort for the provision of better services by decreasing the costs of our industrialists in a manner of solidarity and cooperation" (Manisa Hür Işık Newspaper; 12 June 2008).

claim that the local resources should be controlled by the native people of Manisa in order to secure the interests of the wider local community.

Main justifying arguments that the MTSO and the MOSBSD used for defending their claims over the control of the MOSB's administration are as follows⁶⁴:

The Arguments Used by the MTSO:

1. *The issue of the MOSB's ownership:* MTSO stressed the central role of MTSO in the establishment of the MOSB. While not explicitly expressed, such statements aimed at presenting MTSO as the founder of the MOSB. In this sense, MTSO tried to build a basis for its claim about its right over the control of local industrial resources. The emphasis on MTSO's critical role in the MOSB's establishment and the present level it has reached was put forward around the rhetoric of the "altruistic behaviour exhibited by MTSO members". As these members are native people of Manisa and as most of the MOSB industrialists are outsider investors, MTSO built its second argument on the basis of native vs. outsider status of the people who are demanding right over the MOSB's management.
2. *Native managers vs. Outsider managers:* Related with the argument concerning the contributions of its native members to the MOSB, the MTSO developed the argument that 'the real owners of Manisa OSB were the people of Manisa'⁶⁵. The argument of the native MTSO members' altruistic

⁶⁴ Also see Appendix 5.

⁶⁵ This argument was made explicit after 2006 which coincides with the period when the purchase of Sümerbank textile factory was an intensely debated issue on the local agenda of Manisa to be elaborated in the next chapter. Within this respect, an interviewee-Nejat Arusan- stated that the discourse of "the awareness of being a Manisa citizenship" was used by "some groups" from time to time in local politics. He commented that these groups brought forward unrealistic arguments like ensuring the recruit of all MOSB workers from Manisa people. He added that these arguments use the MOSB's outsider-dominated characteristic as a political strategy. It is clear that these comments and the term "some groups" refer to the discourse pursued by the MTSO members in its fight against the MOSB industrialists.

efforts in the establishment of the MOSB was broadened in such a way to refer to the wider local community. In this sense, ‘carrying the spirit of Manisa citizenship or not’ was used as an essential discourse against the MOSB industrialists⁶⁶. Within this regard, in one of its press statements, MTSO clearly stated that the existing MOSB administration which was under the rule of MTSO was composed of native people of Manisa who wanted to serve to Manisa while the MOSB industrialists most of whom were outsider investors were looking for individual profits⁶⁷. Moreover, to underpin its arguments based on the native vs. outsider distinction, MTSO used the connection of the MOSB industrialists with İzmir’s business community as the industrialists got the support of İzmir’s businessmen.

3. *Illegal status of the general assembly of the MOSB made by the MOSB industrialists:* Both MTSO and MOSBSD frequently referred to the non-legal statues of the actions that their opponents took. In this sense, at some points of the struggle, the MTSO argued that the general assembly of *the MOSB* made by the MOSB industrialists was illegal⁶⁸.

⁶⁶ Within this regard, Ahmet İgan, the head of MTSO council, stated that “the spirit of Manisa citizenship” was essential to MTSO’s decisions and activities and that this produces the basic difference between the MTSO and the MOSBSD.

⁶⁷ Commenting that the MOSB’s management by the industrialists may create problems, the head of the provincial council, Hayrullah Solmaz said: “Manisa OSB does not belong to the factory owners operating inside the OSB. Manisa OSB is the property of Manisa people. If the industrialists become the managers of the MOSB, do you think that they will allow a new electronics firms, for eg., which will be a competitor for themselves? Thus, the current situation is problematic. I think that the MOSB management should be a joint one shared by both the MTSO and the MOSBSD” (2008, http://www.manisahurisik.com/haber.php?haber_id=959).

⁶⁸ “Some industrialists in the MOSB applied to the Ministry of Industry and Commerce for permission of general assembly for the transfer of the MOSB’s management from the MTSO to the MOSB industrialists on the grounds of the local court’s decision whose appeal is still continuing. The Ministry refused this application with regard to the continuing appeal and informed the industrialists about that with their breve dated 03.08.2007. Contary to this, industrialists go on to prepare for the general assembly of the MOSB” (Press Declaration by MTSO, Manisa Haber Newspaper, 16 August 2007).

The below quotation from the words of Bülent Koşmaz, the chairman of the MTSO, summarizes the arguments that MTSO pursued during their fight with the MOSBSD for the MOSB's management:

“MTSO is dismissed from the MOSB which was established 45 years ago by the own resources of the MTSO. There is a struggle going on in front of the public for 6-7 years. *This struggle is not a struggle for chair or position as some people think. This is a fight for the protection of MTSO's rights over Manisa OSB.* All our friends in the MTSO worked voluntarily without any material expectation. However, in time, a legal struggle emerged and we lost it and came to this recent point. *A very serious alliance was formed against us.* Who took part in this alliance? Why did such an alliance was formed? Since the incidence is so new, we will have the answers in time. While there was such an alliance against us, there were very few people who supported the MTSO. I want to thank them” (Zaman Newspaper, 16 July 2008).

It can be said that the alliance that Bülent Koşmaz mentioned refers to the cooperation of the native MOSB industrialists with the big and powerful outsider investors around their common interests. Although it was previously mentioned that the different groups of the industrial business community have different priorities regarding their interests, those native industrialists operating in the MOSB acted against the rule of the MTSO in the MOSB. Regarding the position taken by the native industrialists against the MTSO's control of the MOSB, a native supplier firm owner and the head of Manisa Genç İşadamları Derneği (The Association of Young Businessmen of Manisa, MAGİAD) criticizes the MTSO's picky attitude towards the new investments in the MOSB:

“For years, we strived for foreign and Turkish investors to come and invest in Manisa; now why are we upset with the demand of the industrialists for MOSB's management? If the demand from native capital owners for investing in the MOSB was low and as a result if we welcomed outsider industrialists and provided them with necessary conditions, then what is the problem now? I think at this point we should question the MTSO. What did the MTSO do all these years for enabling native capital owners to invest in the MOSB? Why did many native industrialists preferred to invest in agricultural production rather than investing in the MOSB?

Unfortunately, for long years, MTSO has failed to built the connection with the native industrialists and then the industrialists attempted to go to their own way with the first opportunity they had” (İdris Şendil, 5 August 2008, http://www.manisahurisik.com/haber.php?haber_id=780).

The Arguments Used by the MOSBSD:

1. *The issue of the MOSB’s ownership:* Opposing to the MTSO’s claim about the ownership of the MOSB, MOSBSD argued that the MOSB does not belong to Manisa people; rather it is owned by the MOSB industrialists who had the title deeds of the industrial plots which they operated on. Besides, MOSBSD argued that industrialists are the real creators of employment opportunities in Manisa. Therefore, opposing to the argument of MTSO, MOSBSD stated that Manisa OSB literally belonged to the industrialists. In other words, without giving any reference to native or outsider status, MOSBSD defended that the MOSB is sustained by the initiatives of all investors.
2. *The MTSO is not able to represent the interests of the MOSB industrialists:* Related with the debate about the ownership of the MOSB, industrialists had another main argument claiming that MTSO, which was composed of small tradesmen, was far from representing the interests of the MOSB industrialists. As one interviewee stated: “Industrialists, especially the proponents of VESTEL, are saying in a little insulting manner that the small tradesmen which they bought screws from were trying to manage them” (Can Mercül, interviewed on 26 April 2009).
3. *The misuse of the MOSB’s money by the MTSO:* MOSBSD continuously stressed the misuse of MOSB’s money by the MTSO. The arguments in this sense included the use of MOSB’s money for MTSO’s affairs and the waste of the MOSB’s money due to wrong investment decisions. Corruption claims against the managers of the MTSO⁶⁹ are examples in this regard.

⁶⁹ A news dated 06 October 2006 stated that Bülent Koşmaz is convicted of transferring MOSB’s \$ 5 million to MTSO for constructing MTSO’s service building and a business

4. *Legal status of the general assembly made by the MOSB industrialists:* In a similar way to MTSO trying to provide legal support for itself, MOSBSD also used legal regulations to defend its claims against the MTSO⁷⁰. In terms of the existing legal framework defined by the law numbered 4562, MOSBSD was more advantageous vis-à-vis the MTSO. In this sense, the MTSO actively involved in the national level efforts for the preparation of a new OSB law which might change the legal framework which was against it.

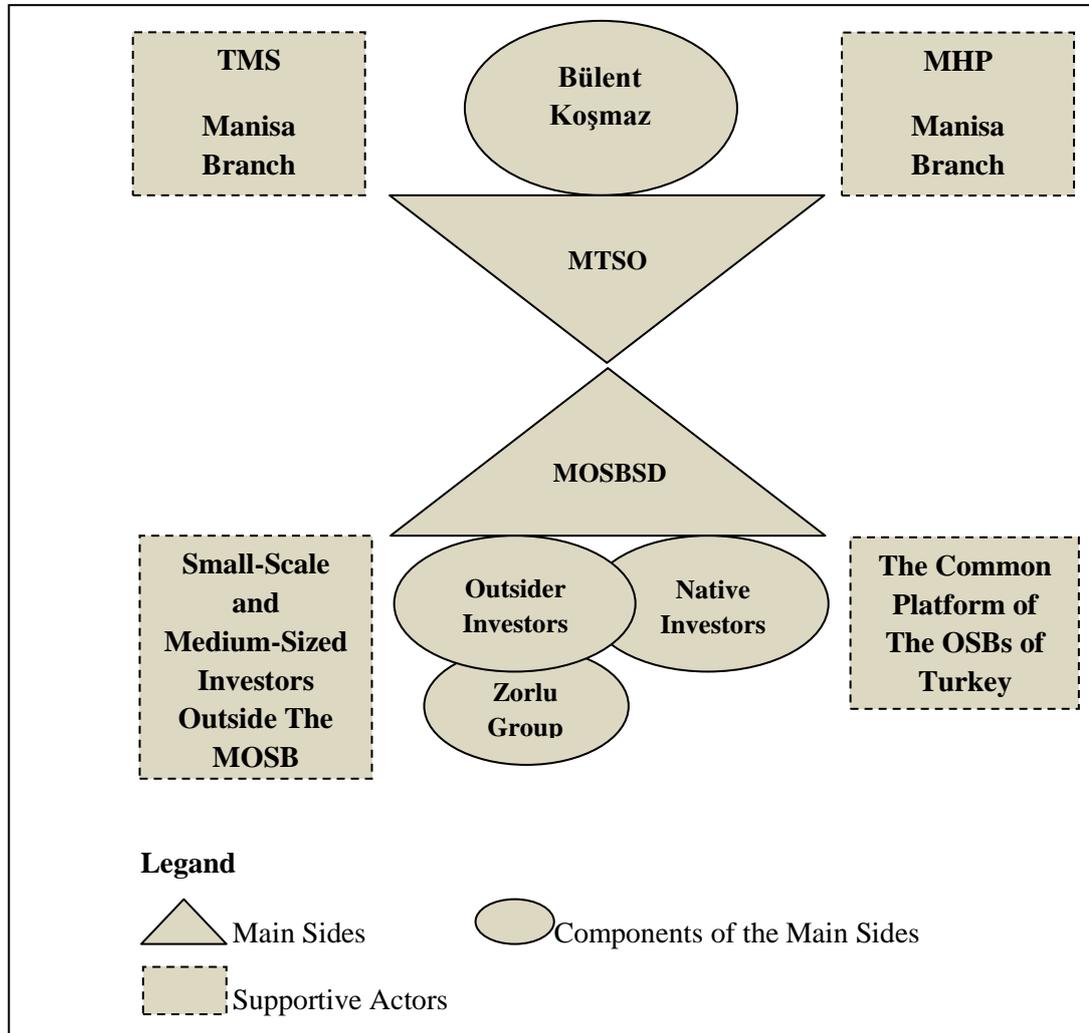
5.2.2. Local and Supra-Local Connections of the MTSO and the MOSBSD

The Figure 5.1. below shows the local and supra-local ties of the two opponents of the contentious process of taking the control of the MOSB's administration. It was previously stated that this process is a manifestation of the conflictual relation between the small- commercial and agricultural capital and the industrial capital. Although TSOs are institutions in which the commercial and industrial businessmen are organised, due to the high involvement of the small- commercial and small-scale producers in the agricultural sector in Manisa, in the struggle against the MOSB industrialists, the MTSO can be defined to represent the agricultural capital as well as the small-commercial interests.

center and that he was punished with 6 months imprisonment. When criticizing the efforts for preparing a new law rather than 4562 by current MOSB administrations headed by Chambers of Commerce and Industry, MOSBSD coordinator Nihat Akyol referred to the misuse of money by MTSO in the MOSB. He said: "In OSBs, the budget is prepared by the industrialists. Now, a new law is tried to be enacted and by this way the controllers of the resources are aimed to be changed. If they managed to transfer \$ 5 million to MTSO in Manisa incident, they would build a plaza having a helicopter landing field with industrialists' money. The court fortunately did not let it happen and the money including the interest was paid back to the MOSB" (http://bigparanew.ekolay.net/M3/haber_detay.asp?id=579459).

⁷⁰ The head of MOSBSD, Sait Cemal Türek said: "We are not doing something that is illegal or secret. We are giving a legal struggle of 7 years which continues since 2000. During this time, we tried to prove that we are right through a legal struggle. It is industries which create employment. It is the industrialists who will enhance and carry the MOSB to world standards" (Manisa Haber Newspaper, 17 August 2007).

Figure 5.1. Local and Supra- Local Connections of the MTSO and the MOSBSD During The Struggle For The MOSB’s Administration



As the chairman of the MOSBSD- Nihat Akyol- mentioned, almost all outsider and native investors in the MOSB were members of the MOSBSD. However, the interviews revealed that most of the foreign firms stayed outside the formal organisation of the MOSBSD and thus outside the process of active struggle against the MTSO. Although outsider investors as the leading investors of the local industrial structure, particularly the Zorlu Group, had a great impact on the course MOSBSD’s struggle for MOSB’s administration, native industrialists were the public faces of MOSBSD. In other words, native industrialists were the chairmen of

the MOSBSD since its establishment in 2000 and followingly the native industrialists became the spokesmen of the MOSB industrialists⁷¹.

Although most of the interviewees said that they support a common solution for the MOSB administration, some interviewees, who were the owners of the small and medium-sized firms, clearly stated that the MOSB industrialists should take active role in the MOSB's administration. A basic reason behind this support is the expectation that small and medium-sized firms can get an increased support from the MOSB administration controlled by the MOSB industrialists when compared to the rule of the MTSO as most of whose members do not engage in industrial production. In this sense, Hüseyin Elmalı -a member of the directory board of the Manisa Küçük Ölçekli Sanayi Sitesi (Manisa Small-Sized Industrial District, MKSS) stated that the Chamber of Industry and the Chamber of Commerce should be separated from each other in Manisa and mentioned the discomfort of small industrialists due to control of the industrial sector by people who are not themselves industrialists. Similarly, the head of the Manisa Orta Ölçekli Sanayi Bölgesi- Abdürrahim Arslan- highlighted the big budget under the control of the MOSB administration and by referring to the investment decisions of the MTSO stated that instead of keeping this money in bank accounts, it should be used for enhancing medium-sized firms which are giving service to the main firms in the MOSB.

Thus, it can be said that the support given to the MOSBSD by the native industrialists is related with their demand for making more use of the local resources. As the MTSO administration is blamed for not taking actions to include

⁷¹ “The native industrialists got the support of outsider industrialists, especially VESTEL, when they were fighting with MTSO for the MOSB's administration. For the first thing, the MTSO and the MOSB should organically be separated from each other. In order to do this, a number of native industrialists, who were also the members of the MTSO, announced their opposition against the rule of the MTSO in the MOSB and by this way the targeted separation was enabled. However, now, behind these 10-12 native industrialists there are 30-40 outsider industrialists. These 10-12 industrialists should not give rein to these 30 people” (Can Mercül, interviewed on 26April 2009).

the growing native firms in the MOSB and for not providing institutional support to the native investors, the small and medium- sized investors outside the MOSB supported the cause of the MOSB industrialists which they think can take their demands into account. Thus, as the industrial capital has become more powerful in the local economic structure, they advocated the transfer of the control of the local industrial resources to themselves from the MTSO dominated by the small-commercial and the agricultural capital interests.

The main local connection that the MOSBSD built was the implicit support of the small and medium- sized investors, whereas, the MTSO had stronger local connections as made evident in the explicit support of the Türk Metal Sendikası (Trade Union of Turkish Metal Workers, TMS)⁷² and the local branch of the Milliyetçi Harekt Partisi (Nationalist Movement Party, MHP)⁷³. As argued by the neo-elitist school, the informal ties are essential in local decision- making processes. In this sense, the strong local connections of the MTSO is related with the existence of such ties. Although Bülent Koşmaz- the chairman of the MTSO- was not actively involved in any of the political parties, his closeness to the MHP is well- known and is evident from the support that MTSO got from the MHP and the TMS- this trade union has an organic connection with the MHP at the national level politics- during the course of the contentious process with the MOSB industrialists.

⁷² Head of TMS Manisa Branch, Mehmet Ali Özaltın, stated that they appreciate Bülent Koşmaz's efforts for enhancing the MOSB and increasing the employment volume since 1994 when he became the chairman of the MOSB's directory board. He said: "There are some so-called big industrialists who are annoyed from the growth of the MOSB and the increase of employment opportunities. They are employing workers without job safety and labor unions and with a slavery mentality. These 'big' employers and their supplier industries are agents who are gaining rent and profit by treating workers as slaves. As representing the workers and the unemployed, we are besides Koşmaz" (Manisa Haber Newspaper, 13 July 2006).

⁷³ Head of MHP Manisa Branch, Mesut Bayram Laçalar said that the recent debate on MOSB's administration is a fight for rent and stated: "The MOSB's 190 million TL budget and the technopark project planned in the new 4. and 5. parts are making some people's mouth watery. 170 firms are waiting in line for the 4. and 5. parts of the MOSB. This is with no doubt is the success of managers from Manisa. The closeness of Koşmaz to myself is attributed to the party. We have a very old friendship. He has no intentions to actively involve in politics through neither MHP or any other political party. He has put an end to his political life since 1980" (Manisa Haber Newspaper, 15 July 2006).

Concerning its supra- local connections, it is seen that the MTSO used two essential channels to reach to the national level politics. One of them was through Türkiye Odalar ve Borsalar Birliği (The Union of Chambers and Commodity Exchanges of Turkey, TOBB) in which Bülent Koşmaz has the position of vice chairman. Bülent Koşmaz's long-term managerial position in the TOBB enabled the MTSO to have an essential opportunity for its easy access to national politics. The other channel was the OSBÜK which was established by virtue of the new OSB law and is the umbrella organisation of the OSBs in Turkey (membership is not compulsory but depends on the choice of the OSBs). By taking active part in the establishment of OSBÜK in 2002 and by being its first chairman, Bülent Koşmaz developed a new, formal supra-local tie which the MTSO could utilize for defending its local position against the MOSB industrialists. The preparation of a new law on OSBs by the OSBÜK administration indicates that local chambers being in a disadvantaged position in their localities vis-à-vis the OSB industrialists have been organised under the roof of OSBÜK and acted together at the national level (the draft for the new OSB law was submitted to the Ministry of Industry and Trade by November 2007, www.osbuk.org.tr) in order to pursue their interests at the local level.

On the MOSBSD side, the bargaining power of the Zorlu Group vis-à-vis the existing government was the most determinant factor upon the supra-local connections of the MOSB industrialists. Besides, the newspaper archive search has revealed that as the MTSO built links with other local chambers being in similar local circumstances concerning the OSB's management, also the MOSBSD got the support of the Common Platform of The OSBs of Turkey (a rival organisation to the OSBÜK as it was established by the OSB industrialists trying to take the control of the OSBs from the local chambers in their localities).

When their supra- local relations are compared, it emerges that the MTSO used the traditional channels of local chambers and political parties mentioned in Chapter 3 for building ties with the national level politics. On the other hand, the existence of Zorlu Group among the MOSB industrialists enabled them to develop more direct links with the decision-makers at the national level. Contrary to the differences in

the form and strength of their supra-local connections, both the MTSO and MOSBSD utilized them for pursuing their local interests which can be defined around the concept of local dependence introduced by Cox (1997). The different local dependences of local actors are attributed a positive role in the production of local collaboration by this commentator. In the following section, by opposing this argument, I will try to show the differences in the local dependences of the small-commercial & agricultural and the industrial capital, represented by the MTSO and the MOSBSD respectively, as the basis for the contention between these two opponent groups.

5.2.3.1. Small- Commercial and Agricultural Capital's Dependence to Manisa

It is obvious that the ownership of land is a prominent factor that ties agricultural capital to a locality. As an immobile asset, land highly binds people to a particular locality in the since it is difficult to form spaces of engagement for overcoming the negative aspects of this dependence. Unlike industrial capital which can move production to other localities, with little chance for moving to alternative sites, agricultural production takes place on immobile land located in a particular locality. As agricultural production is locally more dependent, so does the pursuit of agricultural interests. In other words, although all fractions of capital is dependent on local economic and political conditions – which are defined as the ‘localized social relations’ by Cox (1997) -to some extent, it is possible to say that this dependence is deeper for the agricultural capital.

The fact that the agricultural capital owners also refer to the landed- interests fosters their local dependence as the pursuit of these interests require close relations with the local state institutions, especially the municipality. The centrality of the municipality for the small- commercial interests was mentioned in Chapter 3 and their traditional dominance in the municipal councils- though broken by the emergence of the construction capital and the landed- interests as powerful local actors after the 1980- in Turkey was underlined. When both are evaluated together, the importance of the local political relations for the agricultural and the small-

commercial capital in order to secure their local interests becomes clear. Thus, the local strategy that the MTSO adapted for defending its position vis-à-vis the MOSB industrialist (through its emphasis on ‘nativeness’) is closely related with the high local dependence of the capital interests that it represents.

In addition to the economic dependence due to the non-transferable characteristic of land and the political dependence to local level relations, sentimental ties and social relations can be identified as the third dependence factor for the agricultural and small-commercial capital owners since most of them are native people of Manisa whose families are also rooted in Manisa.

5.2.3.2. Industrial Capital’s Dependence to Manisa

It was previously mentioned that the local interests of the different industrial groups are not homogeneous (in Manisa case these differences are especially apparent between different sizes of firms). However, given the differences regarding their economic priorities and political channels they use for the pursuit of their local interests, there are three main and common factors that makes the industrial capital dependent on a particular locality: infrastructural services (basic infrastructure like the water, sewage, natural gas etc. and transportation and communication infrastructures), relations between supplier and main firms and local labor market. In terms of the infrastructural requirements of the industrial capital, the OSBs provide certain advantages due to the collective provision of all necessary infrastructural services which decreases the cost of these services for the firms. Besides, the industrial lots are also provided at lower prices to the industrialists. These advantages offers an explanation for the demands of the small and native-sized firms to take place in the MOSB and the struggle of the MOSB industrialists to gain the control of the MOSB. In other words, taking the control of the dependence factors that binds them to Manisa is critical for the industrial capital as this control directly serve to their economic interests.

As stated earlier, via its direct connection with the central state the Zorlu Group has an absolute superiority over other industrialists for controlling the local dependence

factors. Within this regard, the railway investment made by central state to the MOSB offers a good example illustrating the influence that the Zorlu Group have over the national decision-making process. The striking point in this railway project is that it was initiated by the Zorlu Group after its investment in the MOSB⁷⁴. The project was crucial to VESTEL firms, which is to a large extent producing for export markets, as it encompassed the construction of a railway line departing from the MOSB and directly reaching to the İzmir harbour⁷⁵. The fact that the Zorlu Group financially contributed to the project, which would in fact enhance the transportation opportunities for all MOSB firms, indicates that this group has an independence in its operations from the other MOSB firms. As van Tulder and Ruigrok (1997) state, one of the factors that determines a core firm's relative independence is its financial strength. The Zorlu Group's financial strength and followingly its ability to negotiate with the central state enables this group to held power to coordinate and even control the local assets and resources (Dicken et al., 1994).

The relations between the main and supplier firms constitutes the second local dependence factor for the industrial capital. Although both the main and the supplier firms are mutually dependent on each other for the realization of the industrial production, it can be argued that the dependence of the supplier firms to the core firms tend to be greater than that of the core firms' dependence to the supplier firms. While main firms are more likely to be engaged in alternative

⁷⁴ *It was stated that negotiations of 7 years between the General Directorate of State Railways of Turkish Republic and Zorlu Group for the construction of a railway line between the MOSB and the İzmir harbour had come to an end and that the implimentation phase would soon begin.*

(<http://www.insaatdergisi.com/insaatmanisaorganizesanayibolgesi8217netrenyoluhatticekil-ecek-haberayrinti-4354-insaat.html>)

⁷⁵ *The new railway line of 20 km. will connect Manisa OSB to Muradiye which is on the main railway route to İzmir. VESTEL representative who carried out the negotiations with the state declared that Zorlu Group will meet the cost of the railway line of 400 m. between the MOSB entrance and the VESTEL factory.*

(<http://www.insaatdergisi.com/insaatmanisaorganizesanayibolgesi8217netrenyoluhatticekil-ecek-haberayrinti-4354-insaat.html>)

supplier networks in other localities, supplier firms –especially small-scaled ones– may be limited to the connections they have with the main firms in a particular locality. Similarly, as indicated by the words of one interviewee- Abdürrahim Arslan, a medium-sized firm owner-⁷⁶, supplier firms tend to invest in the locality where the main firm is located and in this sense dependent on the investment decisions of the main firms. To sum, their financial strength enables the big firms to create their own supplier networks in the locality that they invested and their wider operational scale gives them to engage in alternative supplier networks. This indicates the asymmetrical character of the mutual dependence relation between the main and the supplier firms.

The third dependence factor for the industrial capital is the local labor market. It was mentioned in Chapter 4 that the influence that the VESTEL firms have on the local labor market through the wage policy and the labor circulation strategy they have adapted. In this sense, there emerges another difference between different industrial firms concerning their dependence to local labor. While the existence of an unqualified labor force that accepts to work for minimum wage provides the VESTEL firms with suitable conditions to implement such a local labor policy, it was understood from the interviews that the small and medium-sized firm owners are complaining about the lack of qualified labor in Manisa. Thus, it can be said that the features of the local labor market makes Zorlu Group’s dependence to local labor as an enabling local dependence factor whereas it has a constraining effect for the small and medium- sized firms demanding blue-collar workers to have technical knowledge and expertise in order to enhance their competitive advantage.

In light of the above discussion about the local dependences of different fractions of capital and the different group of the industrial capital, essential implications

⁷⁶ “I am producing moulds. We started to work with Arçelik two years ago. After some time, we decided to open a branch in Eskişehir where Arçelik’s factory is located. *You have to locate your production unit as close as possible to the main firms you work with. This is necessary for lowering the transportation costs and for properly responding to customer demands*” (Abdürrahim Arslan, the Head of the Manisa OÖSB Development Association, interviewed on 30 May 2008).

emerge regarding the agency of local dependence factors for the production of local collaboration. In the idea of local dependence proposed by Cox (1997), the differences in local actors' dependences are underestimated and their effect on the emergence of conflicts are not taken into account. Although the existence of conflicts between local actors are assumed (like the conflict between the local capital and labor for eg.), their local dependences are seen as the common ground upon which the local collaboration is built. However, the Manisa case has shown that the small-commercial & agricultural capital is tied to the locality on the grounds of their landed- interests and on the local political relations (the municipality is the main loci of power in this sense) for the pursuit of these interests as well as the small-commercial capitals' other economic interests besides the generation of land rent.

On the other hand, the industrial capital is tied to the locality on the grounds of quite different interests, which are identified as the infrastructural services, the supplier- main firm relations and the local labor market, than those of the small-commercial & agricultural capital's. The differences between the local dependences of different fractions of capital are reflected to their priorities and preferences regarding local growth which is exemplified in the diversification of the growth agendas pursued by the MTSO and the MOSBSD.

Moreover, it is shown that although the industrial capital is dependent to the locality on the grounds of these three factors mentioned above, the *inner form of dependence* on the same factor differs according to the different groups of the local industrial capital. It was exemplified in the differentiation of the local labor features required by the VESTEL firms and the small and medium- sized investors. In other words, while the existence of the unqualified local labor is an enabling dependence factor for the VESTEL firms, it works as a disabling factor for the small and medium- sized firms. Moreover, it was already mentioned that small and medium-sized industrialists have problems in terms of finding industrial plots equipped with necessary infrastructure unlike the big industrialists placed in the MOSB. Thus, certain *characteristics of the local dependence factor* can create differentiated

expectations and hinders the development of a shared local agenda on the same dependence factor.

5.3. Institutional Leadership in Manisa?

The co- existence of conflictual local interests stemming from distinct local dependences of different fractions of capital (the small- commercial and agricultural vs. the industrial capital in Manisa case) and the diverse interests that the inner form of the local dependence may brought about has shown that the local dependence is not necessarily serve as a ground for local collaboration. In this section, I will critically discuss the arguments that are put forward by the urban regime approach for the production of local collaboration. Assuming that cooperation does not necessitates the uniformity of the economic interests or consensus over values and beliefs, the urban regime approach argues that local collaboration could be achieved through the management of conflicts. In other words, collaboration is assumed not as given but as something that could be achieved. Similar to the idea of local dependence, ‘mutual dependence’ and ‘bounded rationality’ are seen as essential factors stimulating the social production of local collaborations. In this sense, local politics is seen as a process through which different economic and political resources hold by different local actors are brought together and utilized for the collective goal of local economic growth. It is assumed that the bounded rationality, which is seen to lie at the root of social and economic relations, produces the formulation of collective aims. However, the discussion on local dependences of different local actors has already shown that the possibility of the formulation of collective aims and thus a shared growth agenda is low.

At this point, the idea of conflict management and the argument that the participation of local actors to local collaborative practices would contribute to the individual power capacity of each actor will be discussed. For conflict management, the urban regime approach attributes an important role to local leadership and argues that this leadership does not carry ideological or political background. In this sense, an evaluation of the leadership structure in Manisa will be made and the main

observation is that the existing leadership structure in Manisa is far from being able to resolve local conflicts. Besides, contrary to the urban regime approach's idea about a politically- neutral leadership, the main argument is that local chambers and other local business associations having a potential for local (economic) leadership are highly political given the close interaction between the local chambers and the local branches of political parties in Turkey. Given these circumstances, it is suspicious that the idea of the resolution of the conflicts under effective local leadership be applicable in Turkish localities.

The idea about the enhancement of the individual power capacities of local actors through their participation to local growth coalitions will be opposed on the grounds of the dominant role that the central state has in the economic growth of localities in Turkey. As the urban regime approach is developed within a national context in which the local state is the main loci of power for the generation and distribution of the resources and the main decision- making institution regarding local growth, the local coalitions including the participation of the local state is put forward as the basic picture concerning local growth politics. However, regarding the economic growth of the localities, the national and local level politics are intermingled in Turkey and for this reason local actors' supra-local relations gain prominence. Therefore, participation to local coalitions is not a necessary factor for the enhancement of the power capacities of the local actors. As clearly seen in the case of Zorlu Group, the strong supra-local relations may be the primary factor for determining the power of local actors at the local level.

The answers given by the interviewed small and medium-sized industrialists to the question of 'Which local institution is most influential upon local economic growth in your opinion?' are presented in Table 5.2 below.

Table 5.1. Institutions Influential Upon Local Economy

	Frequency	Percent	Valid Percent
MTSO	6	20,0	35,3
Manisa Municipality	5	16,7	29,4
No leading institution	4	13,3	23,5
MESOB	1	3,3	5,9
Manisa Governorship	1	3,3	5,9
Total	17	56,7	100,0
Missing	13	43,3	
Total	30	100,0	

The answers of the small and medium-sized industrialists show that MTSO having the control of the MOSB's administration for decades is seen as the institution having the greatest influence on the growth of local economy. The leading role that MTSO has over local economy was also pointed out by other interviewees as well. On the other hand, although they accepted that MTSO has an essential role in MOSB's establishment, some interviewees made negative comments on the leadership style of the MTSO. These comments are centred around the opinion that for years MTSO acted on its own in taking decisions about the growth of the industrial growth in the locality and that it ignored building relations with other local institutions⁷⁷.

With regard to the institutions which are expected to hold more active leadership positions in local economic growth in interviewees' views, Manisa municipality emerges as the first institution as seen in Table 5.2 (See also Appendix 7 for a more detailed data on the opinions of the interviewees about the institutions that should lead the future of local economic growth). It is in line with the claims of the interviewees stating that the MOSB has grown disconnectedly from the city. The

⁷⁷ The representative of MKSS stated that MTSO failed to built institutional links between MKSS and MOSB while a supplier industrialist stated that MTSO did not put enough effort to built institutional connection between the MOSB and the university. Moreover, he mentioned the MTSO's ignorant attitude towards enhancing the position of native industrialists in local industrial structure.

mismatch between MOSB's growth and the physical and social adaptation of the city to this growth was one of the most commonly mentioned issues by the interviewees⁷⁸. This mismatch was seen as a primary problem for Manisa and for this reason the municipality was thought to have a more effective role in local growth decisions by the interviewees.

Another striking result seen in Table 5.2. is the important role that the interviewees attributed to the central state. As almost all the interviewees gave a primary role to Manisa municipality, the second institution appears as the central state institutions among which Manisa Governorship was explicitly mentioned.

⁷⁸ All the previous mayors interviewed stated that the role of the municipality has always been very limited concerning the industrial growth decisions taken by the MOSB administration. They stated that the municipality has only had a supportive role exemplified in the preparation of the development plans for the selected sites on which the new parts of the MOSB would be built.

Table 5.2. Institutions that Should Lead The Future of Local Economy

Institutions mentioned in the 1. rank	Institutions mentioned in the 2. rank	Institutions mentioned in the 3. rank
Manisa Municipality (8 out of 18)	Manisa Municipality (6 out of 15)	Business& Other Professional Organisations/ NGOS (5 out of 13)
Manisa Governorship/ The Central State (6 out of 18)	MTSO (4 out of 15)	Manisa Municipality (2 out of 13)
MTSO (3 out of 18)	Manisa Governorship/ The Central State (3 out of 15)	Manisa Governorship/ The Central State (2 out of 13)
OSB Administration (3 out of 18)	Business& Other Professional Organisations/ NGOS (1 out of 15)	MTSO (1 out of 13)
	Big firms (1 out of 15)	MTB (1 out of 13)
		TOBB (1 out of 13)
		A New Coordinative Organisation (1 out of 13)

These results clearly show that the interviewees are giving an essential role to local and central state in Manisa's economic growth. In other words, the hindering effects of fragmented local business community over local growth potential is believed to be overcome or at least rival interests to be mitigated through the mediation of state institutions. Moreover, the supportive and enabling attitude of the municipality⁷⁹ rather than directly intervening in the local industrial growth decisions taken through the interaction of the local private institutions and the central state has been influential in the current perception of the municipality as the institution which may provide an effective local leadership. Here, the critical point

⁷⁹ The interviews with the previous mayors have shown that the municipality supported the growth decisions taken by the MTSO about the enlargement of the MOSB and performed its role of preparing the development plans as well as putting effort for coping with the increased burdens on urban service provision brought about by the immigrant population.

is that the local industrialists are demanding a non-interventionist but a coordinative state institution at the local level.

To sum, it is understood that the existing leadership structure in Manisa is criticized on two main grounds. The first one is the high involvement of the local chambers and their leaders in party politics and the second one is the lack of a coordinative attitude which is also seen to stem from long-term leadership of some individuals who are occupying the same position in the local chambers for years. In this sense, a native businessman who is also a municipal council member claimed that the lack of leadership hinders collective lobbying at the national level which he thinks is necessary for enhancing the local economy:

“People of Manisa are not that kind of people who come together and produce new ideas, new projects. For years, the coming of an automotive firm to Manisa has been on the local public agenda but it has not unfortunately been realized. There is the issue of bringing a new white-goods industry to Manisa for a long time. I do not think that there is a proper, concrete effort. There is noone who can light up the darkness in Manisa. Existing industrialists, especially VESTEL, do not want new, big investments to come. In Manisa, everyone wants to secure its own position” (Can Mercül; interviewed on 26 April 2009).

The younger generation of native industrialists and businessmen have a common view about existing leaders’ attitudes which they evaluate as an obstacle in front of the future growth of the city. In this respect, a young entrepreneur, who is a member of MAGIAD, stated:

“We have many elder brothers in Manisa, but they do not care about their younger brothers as fighting with each other takes much of their time. They are deeply involved in politics. If younger brothers have a word to say and step forward from time to time, they then come into play and either block these younger ones or say that you do not know enough. We can not get together and discuss something with our elder brothers. We do not have an experienced, older person who can supervise us in Manisa. We need to come together as NGOs from time to time. In Manisa there are people who have enough capital but do not want to do anything while there are also people who do not have enough money but want to do something.

Those people who want to put entrepreneurial effort need a resort to consult” (Tarkan Kayhan; 6 August 2008, http://www.manisahurisik.com/haber.php?haber_id=786).

Another younger generation native businessman complains about the filling of positions in the local business associations by the same people for long periods:

“You know that obsession for positions is a serious disturbance. It is essential to know that seats are not given, they are taken. Young entrepreneurs, new viewpoints should change the old mentalities. *Unfortunately, those who fill positions are sticking to them. Everyone cares about finding a small position and keeping it. They do not want to give way to new people from younger generation.* Local institutions are being headed by the same people for 15-20 years. This should not be the case. New visions should always be allowed. However, *those who are filling the same positions for 10 years are still thinking how they can continue to occupy them. This mentality blocks young entrepreneurs. Therefore, Manisa loses out a lot*” (Haydar Tekbaş; 13 August 2008, http://www.manisahurisik.com/haber.php?haber_id=816).

With regard to the intense engagement of the local chambers with party politics, Harun Çoban- the old chairman of the council of the Chamber of Agriculture- stated:

“The local chambers are tremendously involved in politics. When I was the council chairman, the Chamber of Agriculture was the back garden of Doğru Yol Partisi (The True Path Party, DYP). Only the proponents of this party could come inside the Chamber. Appointments were not given to the heads of the other parties...At that times, the Commercial Commodity Exchange of Manisa was under the control of Anavatan Partisi (Motherland Party, ANAP). There was no chances for bringing the proponents of the DYP and the ANAP together...The head of the MTSO is a quite strong name in Manisa. He had another political view.”

5.4. Conclusion

In this chapter, the fragmented character of the local business community and the conflictual nature of local growth politics was discussed through the analysis of the struggle between the MTSO and the MOSBSD about the control of the MOSB's administration. As an essential loci of power at the local level, the control over the MOSB administration signify the control over local resources and thus over the determination of the path of local growth in Manisa. While the control over the local resources was identified as the main motive behind the struggle, it was seen that the main opposing camps were the small- commercial & agricultural capital, represented by the MTSO, and the industrial capital, represented by the MOSBSD.

The contention between the different fractions of local capital was a clear manifestation of the ongoing restructuring of the local economy in the post-1980 period. The industrial capital which has gradually increased its dominance in the local economic structure had the opportunity to have control over local decision-making regarding industrial development due to the new national legislation about the OSBs enacted in 2000. It was understood through the interviews that the local industrial entrepreneurs were complaining about the control of local resources by the small-commercial and the agricultural capital through MTSO's rule in the MOSB. The criticisms about the rule of the MTSO was based on the grounds that industrial capital's priorities and preferences were not reflected enough in the decisions of the MOSB administration.

Following this, it was argued in this chapter that the divergence of the priorities and preferences stems from the differences in the local dependences. While it was identified that the small- commercial & agricultural capital is dependent on the locality through the factor of land ownership, the main local dependence factors for the industrial capital appear as the infrastructural services, the supplier-main firm relations and the local labor market. It was argued that the differences in the local dependence factors of different fractions of capital have resulted in diverse growth agendas regarding industrial development in the locality.

It should be noted here that the struggle given by the MTSO against the MOSBSD does not directly relate with the pursuit of the small- commercial & agricultural capitals' landed-interests. As stated before the control of the local resources and thus maintaining the dominant position of the small- commercial & agricultural capital in local growth politics was a central motive behind the debate. Thus, the dispute between the MTSO and the MOSBSD can be defined as a *hegemonic* struggle, where hegemony is defined as "...a process whereby a fraction of the ruling elite exercises control through its moral and intellectual leadership over other, allied fractions of the dominant classes" (Leibovitz and Salmon, 1999: 234). It is seen that the MTSO tried to built a local hegemonic strategy through adapting the discourse of nativeness vis-à-vis the industrial capital dominated by the outsider investors and through its informal connection with the TMS as a means for targeting the local labor. On the other hand, the increasing dominance of the industrial capital in the local economic structure vis-à-vis the agricultural capital and the existence of the Zorlu Group with direct supra- local connections have considerably contributed to the hegemonic power of the industrial capital.

However, the institutional involvement of the MTSO and more importantly the participation of the small- commercial businessmen to Manisa Ortak Girişim Grubu (Manisa Common Enterprise Group, MOGG), which was organised as a public-private partnership under the leadership of the Manisa Municipality, indicates the centrality of the landed- interests for the members of the MTSO. The purchase of the Sümerbank factory land from the central state by the MOGG and the speculative sale of the land to a retailer company has placed the generation of land- rent at the heart of the activities of the MOGG. This issue will be elaborated in the next chapter.

CHAPTER 6

LOCAL ENTREPRENEURIALISM AROUND LAND- RENT: THE CASE of MANİSA COMMON ENTERPRISE GROUP

In Chapter 5, the conflict between the different fractions of capital, which was made explicit in the struggle to take the control over local resources, was investigated with reference to a critical evaluation of the idea of local dependence. It was identified that the differences regarding the priorities and preferences of the small-commercial & agricultural capital and the industrial capital are based on their different local dependences which brought about a conflictual local growth politics. It was also mentioned that the landed- interests were central for the small-commercial & agricultural capital interests. In this regard, this chapter will concentrate on the landed- interests as a specific factor of local dependence. I will investigate whether the landed- interests can be a basis for the production of local coherence as argued by the urban growth coalition approach through the analysis of the contentious process that the purchase of the Manisa Sümerbank Textile Factory⁸⁰ by the Manisa Common Enterprise Group (Manisa Ortak Girişim Grubu, MOGG) has triggered.

A significant issue about the MOGG case is that unlike the case of the struggle around the MOSB's administration, the local state institutions- in particular the Manisa municipality- are the central figures during the process. On the other hand, the two cases are complementary regarding the structural changes taken place in Turkey in the post- 1980 period mentioned in Chapter 3. The struggle around the MOSB's administration refers to the rise of the industrial capital through the export-oriented macro- economic policies designed for the integration of the national

⁸⁰ The state- owned Sümerbank Holding Company was included in the list of the state enterprises to be privatized after 1980, on 11.09.1987 via the decision of the Cabinet. As an asset of the company, Manisa Sümerbank Textile factory was put in sale in 2003 by the Privatization Administration (Başbakanlık Özelleştirme İdaresi Başkanlığı, ÖİB).

economy with the global markets whereas the MOGG case (in which a public-private partnership is striking) is a clear example of the emergence of urban areas where both the state and private built investments are directed at and in this sense the rise of the municipalities as the main loci of power for the landed- interests and the construction capital.

Given this national context which indicates the influential role of the landed-interest in local politics, the main argument of this chapter is that the motive of generation of land- rent invoked by the group of ‘urban rentiers’ can not be a basis for the production of local collaboration contrary to what is asserted by the urban growth coalition approach. As will be shown in the case of MOGG, the generation of a huge amount of land- rent through the privatization of a state- enterprise has resulted in a political contention. After the sale of the factory land by the MOGG to a retailer firm through which the Group made a huge profit, a political opposition was initiated by Hasan Ören- a Manisa deputy from Cumhuriyet Halk Partisi (Republican People’s Party, CHP)- and the issue was carried to national level politics. Moreover, the partnership among the MOGG members was dissolved and some the participant local institutions declared their discomfort about the huge profit. It is essential to note here that the composition of the directory board of the firm that the MOGG established for the purchase of the factory land from the Privatization Administration. Rather the representation of the all participant local institutions, this directory board was dominated by the individual businessmen who have contributed to the initial capital of the firm. It is also crucial that the board was headed by the previous mayor, Bülent Kar who was elected from the ruling party- Adalet ve Kalkınma Partisi (Justice and Development Party, AKP)-, until a legal case was initiated against him with the claim of the misuse of authority.

6.1. The ‘Urban Rentiers’ in Manisa

It clearly appeared through the interviews that there is a large group of local people for whom the generation of land- rent is central to their economic motives. It was already mentioned in the previous chapter that the distinction made between the small- industrial producers & artisans and the industrial entrepreneurs regarding the composition of the industrial community was actually based on the superiority of the landed- interests of the former over their will to invest more in the industrial sector.

In this regard, it was stated by the interviewees that native capital owners prefer to make profit from land rent rather than investing into industrial sector and that this ‘logic of small tradesmen’ is pursued in local as well as in national politics. With an alternative expression, the interviewees stated that the “people of Manisa were not so entrepreneurial”. A native industrialist who is a member of the directory board of Manisa Genç İşadamları Derneği (The Association of Young Businessmen of Manisa, MAGİAD)- Gürkan Atılğan- said that although some native people had more capital than those currently involved in the industrial sector, they do not invest in the local industrial sector but content themselves with the rent they gain from their real- estate properties (http://www.manisahurisik.com/haber.php?haber_id=819, 14 August 2008). As can be inferred from the words of an interviewee, who is the head of the Manisa branch of the Chamber of Architectures and who has a firm operating in the construction sector, these rentiers are quite influential on local politics:

“Everyone in Manisa has an amount of agricultural land, small or big. One has the chance to work for 3 months in summer and have a good revenue. As this is the case, as people do not have to work hard all through the year, they need a pastime. For this reason politics is abundant in Manisa. Everyone is a politician towards his/ her interests. Everyone more or less is involved in local politics. The city is small. Even if you do not know personally, it is easy to reach the Mayor, the Governor, the head of provincial council etc. via your available contacts. In any case, you can find someone to get you through to the

person you want to reach. The fact that everyone can easily get into contact with local politicians, creates some problems in Manisa. Let's assume that you are the Mayor preparing a developmental plan for the city and you will declare a new development area. There emerges several people demanding various things from you. Like a readjustment in the road routes or in the size of the construction parcels. Under these conditions, after some point, local politicians can not do what they have in mind but just carry out the demands of people. Several examples of this have been seen in the development plans of Manisa" (Atilla Efendioğlu; interviewed on 30 August 2008).

The previous mayor and one of the most active members of the MOGG, Bülent Kar, also points out to the centrality of land- rent for local people in Manisa:

"The businessmen of Manisa make huge rent from real- estate. Therefore, they do not like taking risks. Some time ago, the Romanian ambassador in İzmir offered me to be partners for investing in real- estate. He said that if you have money, let's be partners and buy land in Manisa; in 2-3 year the value of these lands would be 5-6 times more of its initial value. I also know that, but I do not have money. Here, in Manisa, nothing brings more profit than real- estate investments" (Bülent Kar, interviewed on 27 April 2009).

It is important to note here that there is a close relationship between the centrality of landed- interests in local politics and the state policies. First of all, the state highly intervened and actively involved in the production of the built environment through the means of development amnesties, mass housing production and housing finance, urban regeneration⁸¹ etc. in the post- 1980 period. Thus, the flow of capital to the construction sector was underpinned through the state's mediation in Turkey (Balaban, 2008). In this sense, the decentralization of the planning powers in 1984 with the enactment of the Urban Development Law numbered 3194 is essential as it brought about the emergence of the municipalities as the main loci of power to which the landed- interests directed their political strategies.

⁸¹ The article 73 of the current Municipal Law numbered 5393 and enacted in 2005 defines "urban regeneration and development areas".

Moreover, the authorities of the municipalities were widened with the enactment of the current municipal law (No. 5393) in 2005 by the AKP government. In this respect, in the 14. Article of the law defining the duties and the responsibilities of the municipalities, besides the definition of the specific duties for the municipalities, the statement of “The municipality, with the condition of carrying local and collective characteristics, provides the services/ or have the services provided for the enhancement of the local economy and commerce” is included. Besides, in the 15. Article defining the authorities and the privileges of the municipalities, the statement of “The municipality can involve in any activity and initiative in order to serve the local, collective needs of the local citizens” exists.

It is seen that the widening of the authorities of the municipalities to involve in all sorts of initiatives for serving the collective needs of local citizens has provided an essential discursive as well as legal basis for the justification of the Manisa Municipality’s participation to the MOGG. In this sense, it is crucial that Bülent Kar defines the aim of the MOGG initiative around local entrepreneurialism led by the municipality.

Thus, although it is clear that there is a large number of local people who are in constant search of available opportunities for gaining land- rent as the critiques of the growth coalition approach have argued it is difficult to signify them as a particular group which initiate the formation of local coalitions for local growth. This is because, due to their involvement in different economic activities and to the politicized local social relations, it is not possible to categorize these people under a distinct and single category of urban rentiers. It can be inferred that the involvement of the people with landed- interests in different economic sectors is likely to produce a disagreement upon the physical direction of growth (likely to emerge between the agricultural and industrial capital), upon the urban service function of a built investment (the establishment of a shopping mall may rise the reactions of the small- commercial businessmen) and etc. Furthermore, as will be dealt in the next section, the local social relations that are highly politicized through the involvement

of the local branches of the political parties in local level politics in Turkey may result in the political fragmentation of the landed- interests.

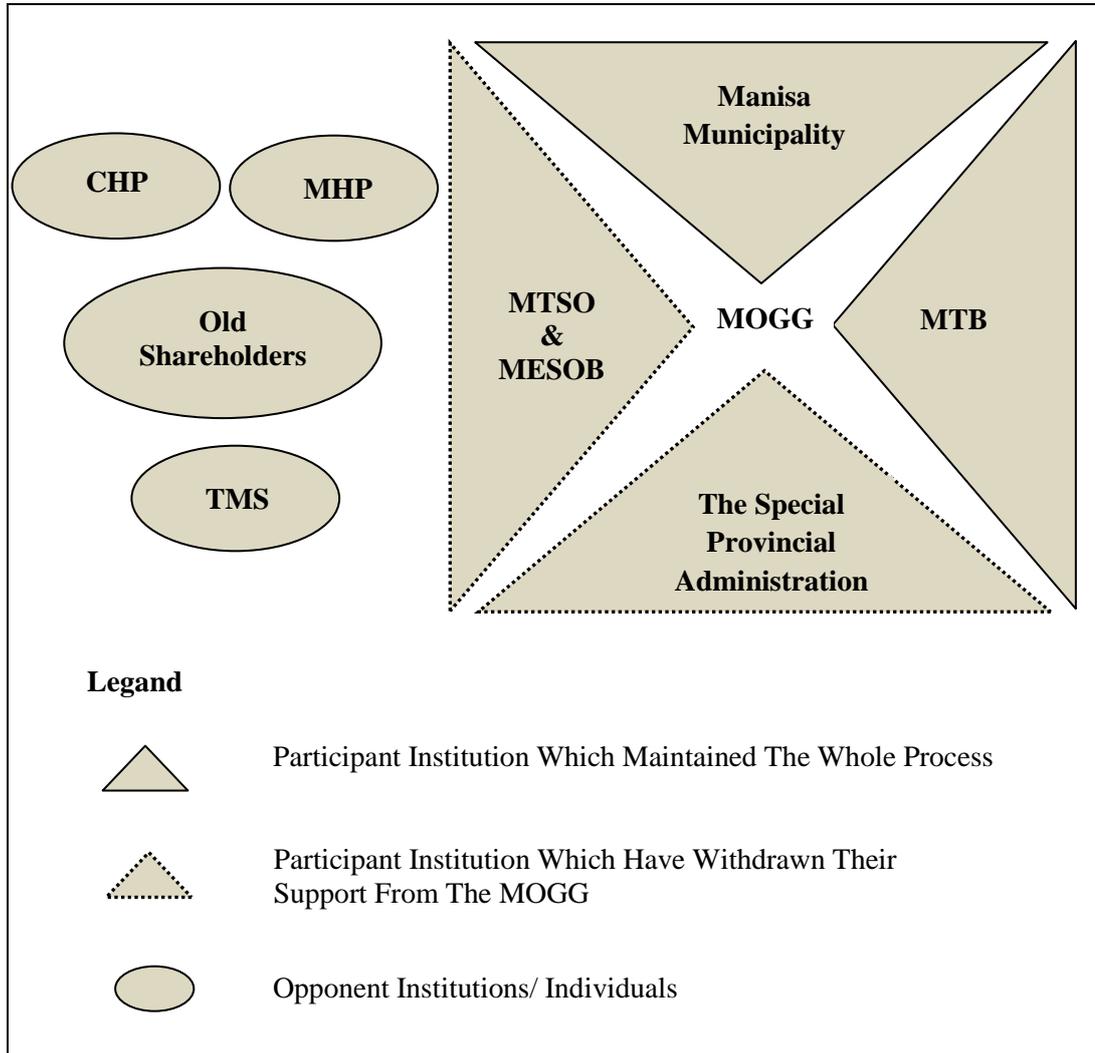
6.2. A Local Public-Private Partnership Around Land- Rent: Manisa Common Enterprise Group

After the Privatization Administration announced in 2003 that the Manisa Sümerbank Textile factory would be sold to private entrepreneurs, a public-private partnership was established in Manisa with the participation of leading public and private institutions including the Special Provincial Administration –a local state institution which has a publicly elected decision-making body and which is headed by the Governor-, BESOT A.Ş. which is an enterprise of the Manisa Municipality, Manisa Ticaret ve Sanayi Odası (Chamber of Commerce and Industry of Manisa, MTSO), Manisa Ticaret Borsası (Commercial Commodity Exchange of Manisa, MTB), Manisa Esnaf ve Sanatkarlar Odaları Birliği (The Union of Chambers of Tradesmen and Artisans of Manisa, MESOB). The partnership that these institutions established in 2004 with the participation of 47 individual local businessmen was called the ‘Manisa Common Enterprise Group’.

The Figure 6.1. shows the main participants of the MOGG and the main opponents emerged through the course of the process of Manisa Sümerbank Textile Factory’s privatization⁸². After the dissolution of the partnership, the Manisa Municipality, the MTB and the individual businessmen have become the active members while the MTSO, MESOB and the Special Provincial Administration have remained only as the formal participants having certain reservations about the decisions of the directory board of the firm that was initially established for the factory land’s purchase. It should be noted here that the financial backbone of the MOGG was the individual businessmen who were members of the MTSO, MESOB and MTB while the participation of the local institutions, especially by the Special Provincial Administration, provided support to MOGG’s individual members while they were negotiating with the Privatization Administration.

⁸² The chronological flowchart of the process can be found at the end of the chapter in Figure 6.2.

Figure 6.1. The Participants and The Main Opponents of The MOGG



Bülent Kar, evaluating the experience of MOGG as an example of local entrepreneurialism stated:

“The meaning, the content of municipal activity have changed today. Municipalities have turned into units which are not only building roads, infrastructure or public parks but which are taking care of every need of the city. However, in Turkey the engagement of the municipality into commercial activities is still seen as something wrong or as a crime. Actually the privatization of Manisa Sümerbank factory is an example of local entrepreneurialism in the way to enhance local development. Indeed, the Privatization Administration told us that they were seeing this privatization as a model. Why? The aim in privatization is to spread the capital to the base and in Sümerbank case, all the industrialists, businessmen of the city was making a contribution to their city. The process is briefly like this: Sümerbank factory was put on sale twice by the Privatization Administration⁸³. At this time, the price was 47 trillion TL. It was put on sale, but no client appeared. Then, when the Ministry of Finance came here to Manisa, there was an already formed public opinion for the purchase of the factory by the people of Manisa. There was the previous example of the factory of the Meat & Fish Institution. Someone from outside came, bought the factory, sold it to someone else and then went away”.

The formation process of the MOGG was depicted by a former municipal council member, who was another name actively involved in organizing local notables around the MOGG, Nejat Arusan (interviewed on April 2009) said:

“Town planners came from the Privatization Administration while they were preparing for the tender bid. I was introduced to them since I was the vice mayor. The 90 da. of the land was taken by the state while 52 da. was given to the municipality. They asked my opinion. I said to them that if they tried to sell the 90 da. at once, people of Manisa can not afford it. But if you divide here as parcels which are 20 da. each, then Manisa people would protect this land in their localities. I made this offer since I know the capital structure in Manisa. But my offer is not accepted since it was technically not possible. Then, the mayor-Bülent Kar- asked me if we could establish a consortium for the purchase of the 90

⁸³ The first tender bid was opened on 09.02.1998 and this as followed by the second on 25.05.2004 and a third one which was publicized in February-March 2005 (Milliyet Newspaper, 07 May 2007).

da. area. *We need to do something really serious for enhancing the quality of life in Manisa and I also know that the partnership culture is weak in Manisa.* Thus, with the desire that we might break this culture, I said to the mayor that we should give it a try”.

In the light of the above comments, unlike the previous case in which there was an apparent conflict between the different fractions of capital, in the case of MOGG, an effort to build a collective agency among the local business community is observed. The existence of businessmen engaged in different economic sectors and the support of the all leading local public and private institutions in the formation of the MOGG clearly indicates this. Therefore, urban redevelopment activities can be regarded as a possible ground upon which the conflictual interests can gather together. However, the further analysis of the MOGG process has shown that such urban redevelopment projects are generally the arenas for the power struggle taking place among the local elite (Swyngedouw et al., 2002).

In terms of individual participation to the MOGG, the words of Bülent Kar (interviewed on 27 April 2009) are striking:

“Some of the local businessmen included in the MOGG were Hakkı Bayraktar (a native industrialist and member of CHP), Erdiñç Yumrukaya (a powerful, native businessman involved in the commercial sector, the owner of the only local TV channel and one of the local newspapers), Arif Koşar (the head of MTB), Hüseyin Akdede (an industrialist operating in the leather sector and the head of the Manisa Leather Industrialists’ District). *In fact, Hüseyin Akdede wanted to purchase the land himself; he had a 2-years of preparation. He is a person with a serious amount of fortune. We also included him; actually I relied a bit on him. I thought that even if noone agreed to give money, he would at least buy the land.* Because at the beginning, purchasing the Sümerbank land was not so appealing since noone including the municipality knew what would happen”.

It was mentioned by some of the interviewees that the composition of MOGG was a significant factor for the rise of the opposition against the MOGG. In this sense, Nejat Arusan- the municipal council member of that time and a pioneer name in the

establishment of the MOGG- by referring to the process before the establishment of the MOGG stated:

“In the Sümerbank incidence, me and the mayor-Bülent Kar- had a basic viewpoint: to built a capacity to be able to work in cooperation. An entrepreneurial committee was formed by including the 15 business people participated to the meeting in which we invited 110 local notables; the municipality was also included in this committee...In this meeting, it was decided to make a proposal to the Privatization Administration for Sümerbank and the amount of the proposal was determined as \$ 3,75 million. In order to collect the necessary money, it was decided that each member of the entrepreneurial committee would give 150 billion TL by dividing the total proposal amount among the participants; the total number of participants was later increased to a total of 53 (47 individual businessmen and the representatives of the 6 local institutions) people. At this point, I rejected and told the mayor that the process as going in the wrong direction. Becasue our starting point was the protection of Manisa by the people of Manisa. I proposed that this 50 people should be increased to 5000 people. By this way, there would be 5000 people which could supress the voices that were raised in the Manisa public against the MMOGG; it was obvious that 50 people could not do it” (Interviewed on April 2009).

It is clear from the above quotations that although the MOGG included institutional participation, the individual buinessmen had a dominant role given their financial contribution to the initial capital of the firm, which was established by the MOGG members in order to buy the Manisa Sümerbank Textile Firm. The 5 % of the firm shares belonged to the MTSO, MESOB, MTB, The Special Provincial Administration and the Manisa Municipality while the 95 % of the total shares were owned by the 47 individual businessmen. Morevoer, in the following months when the partnership was damaged and when the MTSO announced its withdrawal from the MOGG, it was stated by the MTSO that in the establishment of the firm, the shares were splitted among “certain friendship groups”. (<http://www.milliyet.com.tr/2007/05/11/ekonomi/aeko.html> accessed on 13.07.2010).

6.2.1. The Relationship of the MOGG with the Central State

As it is clear from the declarations of Bülent Kar, a negotiation process was realized between the MOGG and the Privatization Administration and a compromise was reached at the end. This compromise was based on the acceptance of buying the Manisa Sümerbank Textile Firm as a whole together with the firm shares and the factory land by the MOGG and the acceptance of making the plan changes that the MOGG demanded by the Privatization Administration. As also stated by the interviewees the fact that the Manisa mayor of that time was elected from the political party in rule was the main determinant in the close relations that the MOGG built with central government institutions. Manisa Sümerbank Textile Firm was legally conveyed to the MOGG by a meeting held in Ankara between Privatization Administration and representatives from Manisa, the Manisa Governor, head of the MOGG and the mayor Bülent Kar, vice head of the MOGG Hakkı Bayraktar, Manisa deputy from AKP Hüseyin Tanrıverdi and vice mayor Kemal Sevinç (Manisa Haber Newspaper; 15 July 2005). The MOGG was also supported by other AKP deputies from Manisa. Bülent Arınç, the president of the National Assembly of that time, is a crucial name in this sense. (23.04.2007, <http://www.haberler.com/basbakanlik-tan-manisa-mensucat-icin-geri-alma-haberi/>, visited on 19.04.2010).

Indicating the centrality of supra-local connections for the pursuit of local interests of both the local businessmen and the municipality, the plan for the factory land was revised in line with the demands of the MOGG. The fact that the plan changes were made by the Privatization Administration was utilized by the MOGG while it defended itself against the criticisms claiming that the municipal authority was abused by making plan changes about the Sümerbank factory land⁸⁴. Through an exceptional use of planning authority by a central state institution, the main

⁸⁴ Bülent Kar stated: "...The speculations made about the development plan of the Sümerbank factory land are wrong. The development plan about the land has been prepared by the Privatization Administration, not by the Manisa Municipality..." (Manisa Haber Newspaper, 03 August 2005).

decision- makers in the Manisa municipality had the chance to defeat the criticisms directed to themselves about taking biased zoning decisions over the urban land. It is crucial in the sense that zoning decisions are central to the creation of urban land rent which was one of the main line of criticism used by the opponents of the MOGG⁸⁵. While this central state intervention enabled the Manisa mayor to by-pass the criticisms directed at him by the local opponents to some extent, it has also been a determinant factor for the issue to be carried to the national level by the opponents, in particular by a Manisa deputy from the main opposing party in the national assembly, Hasan Ören. Rising the issue on the grounds of the privatization policy in general, one of the main arguments of Ören was the loss that the state was given as a result of the sale of the Manisa Sümerbank Textile Firm to the MOGG at a price below its current value. Criticizing the partnership of the local and central politicians and the local businessmen in this sense, Hasan Ören stated:

“Manisa AKP deputies Mehmet Çerçi and İsmail Bilen insistently advocated the sale of factory to the MOGG and argued that the state was not given any damage due to this sale. What is worse is the fact that Bülent Arınç, the head of the National Assembly, did not say something about the corruption in the province where he is elected from”
(<http://www.hurriyet.com.tr/ekonomi/6388530.asp?gid=196>).

Moreover, Hasan Ören stated that generation of rent by a small group of businessmen was actually enabled via the plan change made by the Privatization Administration about the factory land.

⁸⁵ Head of Nationalist Movement Party’s Manisa branch, Mesut Bayram Laçalar: “47 people was given a favor in the privatization of Sümerbank Textile factory. *This is evidently an outbargain against Manisa made through the agreement among some people. Entrepreneurs of the MOGG are trying to find ways to get Manisa Municipality to make the plan changes that they desire*” (Manisa Haber Newspaper, 12 December 2005).

6.2.2. The Local Growth Agenda of the MOGG

As already mentioned, the main growth agenda of MOGG was declared as urban redevelopment by its pioneer members⁸⁶. The fact that land rent is central to all urban redevelopment attempts and distribution of this rent among a small group of businessmen formed the basis of the strong opposition to the MOGG. Against the oppositions, the MOGG was utilized the following justifying arguments (The MOGG's press declaration dated May 2007):

1. The MOGG is composed of individuals, who are residing in Manisa and contributing to the local economy, and the main local public and private institutions. First, the MOGG targets the enhancement of the well-being of the city and secondly this collective effort would contribute to the cooperation culture which Manisa lacks.
2. The construction of a building complex for shopping and socio-cultural activities will provide the people of Manisa with the opportunity to fulfil their needs in their own cities,
3. New employment opportunities will be created during the execution of the redevelopment project,
4. The MOGG aims to build a new school and will provide medical equipment to local hospitals,
5. The MOGG wished to abolish of the victimization of old shareholders which is said to be continuing since 1998 when the factory began to be downsized.

In the first place, it is seen that “nativeness” is brought forward also by the MOGG in the Sümerbank case. Being a native people of Manisa was also a theme intensely used by the MTSO in its struggle against the MOSB industrialists as shown in the previous chapter. The stress on being a resident/ a people of Manisa also refers to the explicit separation between the outsider vs. native businessmen in the local economy. As the most powerful business elite in the local economy has outsider

⁸⁶ “Our aim is to reutilize the land of the Sümerbank factory which served to Manisa for years and then closed down for Manisa through the introduction of a new project” (Milliyet Newspaper; 07 May 2007).

status and since its negative effects for the city have long been discussed in the local public, in a quite understandable manner, the MOGG is observed to introduce itself as an ‘example of local collaboration realized by the people of Manisa’. The claim for the enhancement of the partnership culture in Manisa was also declared by the second chairman of the MOGG, Erdinç Yumrukaya⁸⁷, who has been elected to that position after the resignation of Bülent Kar.

With regard to the MOGG’s aim to enhance the urban life in Manisa contrary to the outsider industrialists which he defines as having no contribution to the city, Bülent Kar stated:

“I have observed during my mayorhip that *MOSB industrialists are inconsiderate against the (problems of) city. Why? Because they do not live in Manisa; we need to have more local businessmen who reside in Manisa.* We can not find a person who will sponsor the local football team. *It is crucial that we have native industrialists. Thus, we established the MOGG.* Previously, there were similar efforts in Manisa but they failed. There are such factories like SESTAŞ, MOSTAŞ in MOSB and then there is the business group which came together for entering into the tender bidding for energy distribution. But all of them failed. *For the first time, we would succeed and I supposed that it would continue*” (Interview with Bülent Kar; 27 April 2009).

One of the negative consequences of the exogenous industrial growth was stated as the disassociation of the industrialists with the city by the interviewees. As made evident from the words of the previous mayor, Bülent Kar, the increased demand for the urban services as a result of industrial growth is a burden for the municipality since the municipality got no contribution from the MOSB administration. In this sense he told:

⁸⁷ Yumrukaya stated: “The members of the MOGG only and solely established this organisation with an aim of Manisa’s development. In the past, no partnership attempt was fully fulfilled in Manisa where a lot of partnerships were initiated. In case of our success, the willingness for building partnerships would be increased in Manisa” (Manisa Hürriyet Newspaper, 04 December 2007).

“The MOSB has a huge revenue. From where? From the electricity it sells to the industrialists. MOSB produces its own electricity. It gets service fee from the treatment facilities. It buys the land for 10 liras, with the provision of infrastructural services, this land is sold to the industrialists from 100 liras. It has such a serious revenue. The MOSB administration easily makes appropriation, built infrastructure. They can do these quickly. However, Manisa Municipality can not do any preparations for the expected population rise due to the enlargement of the MOSB. What are necessary preparations? We need to produce land and provide housing since industrialization causes migration. Nevertheless, all these are a matter of budget. Thus, I suggested that a share should be given to the municipality from the money collected by the MOSB from the industrialists. I told this offer to many national politicians including the prime minister. Besides, my idea was supported by the MOSB’s directory board manager of the time- Bülent Koşmaz. But we could not get any results”.

Moreover, Bülent Kar told that he proposed a light railway project to be realized by the partnership of the municipality and the MOSB. He added that, unfortunately no concrete step was taken by the MOSB managers although they did not explicitly reject the proposal. Thus, it can be said that Bülent Kar was in a search for finding private partners for the provision of some urban services during his mayorship⁸⁸.

The enhancement of urban life was an effective argument since, as mentioned in Chapter 4, nearly all interviewees stated that industrial growth in the city was not going in parallel with social and physical development and that the main local institutions should put effort to overcome these problem. Due to the insufficiency in the provision of some social and cultural urban services, Manisa residents, especially those with higher socio-economic status, meet these needs in İzmir. Therefore, MOGG targeted the expectations of the local people with respect to the improvement of some urban services in the locality⁸⁹. The relation of Manisa with İzmir is once again an important aspect of the issue on the local agenda⁹⁰.

⁸⁸ For example, Manisa Municipality built a fair center. In fact, this spending should not be made from the municipal budget. I went to MTSO for this. Then, Sait Türek (a native industrialist and the current head of the MOSB administration) said that he might bear the cost. But, then, he found the cost too much and gave up.

⁸⁹ Bülent Kar stated: “Recently, the sale of the 90 da. of the factory land was realized. On the land, a big shopping center will be built. We hope that by the end of 2008, the shopping center will be in use. On the 12 da. of the remaining land of totally 38 da., a museum will

Another line of justification for the MOGG's arguments was the creation of new employment opportunities and in this sense it directly targeted the local labor force⁹¹. The arguments about the economic contribution of the MOGG activities to the local labor force can be seen as a complementary to the arguments for the enhancement of the urban life through urban service provision. When these are evaluated together, it is possible to say that with such arguments MOGG tried to emphasize the public side of the public-private partnership against the oppositions claiming that private interests dominated in the MOGG.

Lastly, it is claimed by the MOGG that with the purchase of the factory land and its sale with a certain profit will also make the old shareholders of the Sümerbank firm better off⁹². Contrary to this claim, 5000 old shareholders, who are legally shareholders of the rent generated, were strong opponents of the MOGG throughout

be built while we also plan an aquapark. We plan it to be a place where people can relax. We announced this project to the businessmen of Manisa. However, no one replied. We will announce it again" (Manisa Haber Newspaper; 09 May 2007).

⁹⁰ REDEVCO, the latest owner firm of the Sümerbank factory land, representatives declared in their visit to Manisa that the planned shopping mall is positioned on the İstanbul-İzmir motorway and in a quite crowded neighborhood. It is stated that this shopping mall is planned to be a more enhanced project than the İzmir Bornova Forum Shopping Mall and in this sense it is aimed that people from İzmir will come to Manisa rather than people from Manisa to İzmir (Manisa Hürşık Newspaper, 01 March 2008).

⁹¹ "We as members of the MOGG are people who are living in Manisa, providing employment for thousands of Manisa citizen and paying their taxes. In the construction of the shopping complex to be built on the existing Sümerbank factory land, 500 young people from Manisa will work. In addition, with this complex a new and different alternative will be introduced to city's social life" (Press declaration of the MOGG; Milliyet Newspaper, 7 May 2007).

⁹² Head of Common Enterprise Group Bülent Kar replied to criticism directed to the purchase of the factory area by the old shareholders: "Common Enterprise Group purchased % 99.9 share of the factory area. % 0.1 share still belongs to old shareholders. We did not buy their shares. They will also make use of the rise in the value of the factory land. We did not victimize anybody" (Manisa Haber Newspaper; 03 August 2005).

the process which has recently been down on the agenda as there were continuing cases⁹³ about the issue.

It emerges that the local growth agenda pursued by the MOGG is based on urban service provision which is claimed to benefit the whole residents of the city. As the secondary sources of justification, the subordinate position of Manisa to İzmir in terms of urban social life and the lack of a local collaborative culture are used with the claim that the MOGG's plans on the Sümerbank factory land would contribute to the removal of such local deficiencies and problems.

Therefore, from one angle the MOGG's purchase of the Sümerbank firm was presented as an instance of native businessmen's commitment to Manisa contrary to the OSB industrialists who are not associating themselves with Manisa. In this respect, although not explicitly invoked, the existing debate of native vs. outsider capital was also inherent in the Sümerbank case. On the other hand, contrary to the use of the nativeness issue as a justifying argument by the MOGG, an interviewee stated that the opposition against the MOGG, which was turned into a strong political opposition against the previous mayor- Bülent Kar- in the latest local elections, was largely due to the fact that the Manisa people was involved in the debatable privatization process⁹⁴. It is thus clear that the Sümerbank incidence was a struggle between native groups contrary to the MOGG arguments about contributing to the collaboration culture among the local business elite.

⁹³ After the report of the Prime Ministry Control Commission about the cancellation of Manisa Sümerbank factory's sale to the MOGG, several cases were initiated against the MOGG members, particularly against the head of the executive board of the MOGG, Bülent Kar. Some of the cases against Bülent Kar were based on the abuse of his position as the mayor of Manisa (18 December 2008, <http://haber.sol.org.tr/yazarlar/ahmet-cinar/sumerbank-kamburu-ve-yeniden-aday-olmak-2413> visited on 19.04.2010).

⁹⁴ "One of the first shareholders who went to court against the MOGG said that if someone from outside of Manisa came and bought the Sümerbank firm he would not go to the court" (Can Mercül, interviewed on 26 April 2009).

Besides, it should be noted that the coalition of the native and outsider industrialists against the MTSO for the control of the MOSB's administration also indicates the contention between different native groups. Although Zorlu Group as an outsider power had great influence on the industrialists' struggle against the MTSO, when evaluated together with the Sümerbank incidence, the inherently contentious nature of local politics in Manisa is seen. As the Sümerbank case initiated a political contention, the intermingling of the national and local politics emerge as an essential factor triggering the struggle between different native groups.

This observation is crucial in the sense that the mainstream literature asserts that contrary to the differentiation of the economic interests, local coherence and long-term coalition can emerge. In the previous chapter, it was identified that the diverse economic interests compete for gaining the control of critical sites of power in the locality. As will be elaborated in the following section, the MOGG incidence is another example of such struggles. In this incidence, the municipality is at the core of the process related with the urban rent dimension of the issue. Besides, it was also identified in the previous chapter that the Manisa municipality and the Manisa Governorship were the main local institutions which were attributed a potential leadership role for the future of local economy. However, the MOGG case clearly showed that the Manisa Municipality acted as a private entrepreneur. This can be regarded as another limitation on the creation of local collaborations since the municipalities as public institutions act as local actors which have economic stakes in the locality in the contemporary period.

6.3. The Dissolution of The Partnership

As agreed by all of the interviewees and as the newspaper achieve search has shown, the sale of the Sümerbank factory land to a retailer firm-KİPA TESCO⁹⁵- after a short time of its purchase from the Privatization Administration was a turning point for the MOGG partnership. The sale price of the land was nearly four times of the amount that the MOGG paid to the Privatization Administration. The huge profit that was made through this sale was the main line of objection that was raised against the directory board of the MOGG, which was dominated by the individual businessmen and headed by the previous mayor- Bülent Kar. The objection came both from the members of the MOGG and from the other local groups. In this sense, the sale of the factory land with such a huge profit triggered the fragmentation of the MOGG and carried the issue at the heart of a local political contention which largely affected the results of the local elections in 2009.

The fact that the individual businessmen had the 95% of the initial capital of the MOGG firm made these people, who were also dominating the decision-making organ of the MOGG, the main shareholders of the rent created. As stated before both in the capital composition of the MOGG firm and in the formation of the MOGG's directory board, the weight of these individual members were seen. In other words, while the representatives of the Manisa municipality and MTB were the active members in MOGG's administration, representatives of MTSO and MESOB remained in the secondary position regarding decision-making in the MOGG. However, it can be inferred that as these individual businessmen are the members of the MTSO or the MESOB might have prevented the an explicit objection to the formation of the MOGG's decision-making organ.

⁹⁵ MOGG sold the 55 da. of the total 90 da. land to KİPA TESCO in December 2005 (the sales agreement was later terminated by the retailer firm), 4,5 months after the purchase of the land in July 2005. The amount of the sale was \$ 13,75 which was 4 times greater than the money which MOGG gave away for the purchase of the land from the Privatization Administration.

After this turning point, MOGG became a highly fragmented group. The resignation of Hakkı Bayraktar is one of the clear examples of this fragmentation. Hakkı Bayraktar (an industrialist and a member of the CHP Manisa Branch) was the vice chairman of the directory board of the MOGG in the initial stage when factory land was purchased from the central state⁹⁶. At that time, Bülent Kar was the chairman of MOGG's directory board. He declared his resignation from the MOGG as follows:

“I will make my formal application in order to resign from the partnership and to sell my shares. I think I could not be useful anymore towards my principles. I have some truths and principles. I could not do anything which is against my principles even everyone applauses it” (Manisa Haber Newspaper; 14 June 2006).

With regard to the existence of differentiated intentions among the MOGG members and some bribery instances involved in the process, Hakkı Bayraktar (interviewed on 28 August 2008) told:

“After these negotiations with the Privatization Administration were over, I started to work on some concept projects and presented them to the directory board of the MOGG. *But one day one of the members of the MOGG came to me and asked what was I doing? He asked “Who told you to prepare these projects?”. I was shocked. I replied*

⁹⁶ When this Sümerbank issue first came on the agenda, I was involved in it; I also participated to the MOGG. First of all, the mayor- Bülent Kar- told me about the idea of buying the Manisa Sümerbank factory land. Then, *a meeting was organised by the municipality, I was also invited.* In the meeting, the Governor was asking about the factory and the land and the mayor was answering. The Governor also wanted me to answer; I answered the Governor's questions as far as I have the necessary knowledge. Anyway, *at the end of the meeting, it was decided that the factory would be bought and all main local institutions have become the participants besides the individual businessmen. A directory board was also decided to be chosen for this partnership.* As the Governor insisted that I should take role in the decision-making organ of the MOGG, I also became a member of this board; actually I was not thinking. The following day I took the file about the factory land and began working on it since we need to offer a project to the Privatization Administration to convince them for the factory's sale to the MOGG. I built a project scenario for the factory land (the scenario included the conservation of some factory building and utilize them as museums). The directory board choosed me as the spokesman and we made a presentation to the Privatization Administration. They were impressed and gave us a price. The price was negotiated and then the factory's sale to the MOGG was concluded at the end. Then we established a firm as it was a technical requirement for the sale” (Hakkı Bayraktar, interviewed on 28 August 2008).

“Did not we buy this factory land to implement these projects?”. I was thinking that we would not demolish all the building and to convert some of them into a Tarzan Museum vs. I was really excited about these projects. However, although the other directory board members did not oppose to me explicitly, they tried to somehow slam me. Then, the idea of selling a part of the factory land to a retailer in order to built a shopping center and to built conference and youth centers on the rest of the land came up. For some time, I also involved in the negotiations with TESCO KİPA. We agreed with the firm and the protocol was prepared. When I was abroad, the directory members of the MOGG involved in some bribery instances a lot of small but disgusting stories. Anyway, we tried to prevent these things. They also made a trick in the sale of the factory machinery, everyone got something from this sale. The mayor told that he gave away the profit that the municipality made from this sale to the public cookhouse. But this does not justify the bribery. At the end, someone went to the court about the sale of a part of the land to TESCO KİPA. They were in a stew as the man was said to demand 2 trillion TL to renounce the case. They said that let’s give this money to the man. It was also discussed to find some judges to manipulate the case in favor of the MOGG. Such things are gross. At the end, I said to the mayor that things are going wrong. I told that if the court gives a decision against the MOGG, we should forget about the existing plans about selling the land to TESCO KİPA. He- Bülent Kar- said he could not take this risk as several people have expectations from this sale. Then, I told that I am withdrawing from my membership in the MOGG. Since then, I am out of the MOGG. Then, all of the land was sold to another firm- REDEVCO. All in all, the initial scenario that we presented to the Privatization Administration melted away and the process was turned into a one in which some cunning individuals bought the land for 3 liras from the state and then sold it for 103 liras and made rent out of it. Although I do not approve it in terms of commercial ethics, you can legally do it; if you are a businessmen you can go and buy the land within the rules of competitive market. But, the crucial point in this case is that you are including the Governorship, the municipality and the other local institutions. The inclusion of these institutions was just a camouflage for mere private interests”.

As understood from the above quotation, after the purchase of the land from the Privatization Administration, the landed- interests of some individual businessmen in partnership with the mayor have dominated the MOGG. The fact that they were the main financial contributors to the MOGG firm enabled them built this dominance in the decision- making structure of the MOGG. The role of the mayor

is critical here since a plan change was made on the land through the introduction of a road connection which enabled an increase in the value of the land⁹⁷.

In spite of the opposition that the sale of a part of the factory land to TESCO KİPA has caused among the MOGG and the oldshareholders who have the % 0.1 of the Manisa Sümerbank Firm's shares, the persistent search for the pursuit of the landed-interests is seen. After the cancellation of the protocol between the MOGG and TESCO KİPA by TESCO KİPA and while the case initiated for the cancellation of this sale by an oldshareholder was going on, the MOGG attempted to sell the whole factory land to another retailer firm, REDEVCO. Prior to this sale, the Manisa Municipality sold its share on the factory land to the MOGG firm and by this way the size of the area which was put on sale by the MOGG was increased.

Due to the central role that the Manisa Municipality played in these two sales, the misuse of the public authority by the mayor Bülent Kar was one of the main arguments rised by the opposing groups to the MOGG. This argument was especially used by the local branches of the political parties against the AKP and its candidate Bülent Kar in the local elections of 2009.

As it was stated before that although the MTSO, MESOB and the Special Provincial Administration took part in the formation of MOGG, as the interviews and the newspaper data revealed, the leading local institutions in MOGG were the Manisa municipality (Bülent Kar as the mayor of that time headed the directory board of the MOGG firm) and MTB (Arif Koşar as the head of the MTB was an active member of the directory board) besides the 47 individual businessmen. After the sale of a part of the factory land to TESCO KİPA with a huge profit, it is seen that these institutions declared their reservations and objections on the ongoing process⁹⁸.

⁹⁷ The plan change concerning Sümerbank Textile factory land was accepted by unanimity in the municipal council. By this change, the road connection of the land which was recently sold to KİPA was strenghtened (Manisa Haber Newspaper; 05 February 2006).

⁹⁸ After this sale, the members of MOGG gathered and it was declared by some members that they were not pleasant with the current management of the MOGG. Bülent Kar, in response, said that necessary communication was not built between Manisa public and the MOGG. He continued: "We are making a very good, useful thing, but we failed in telling

Indicating its objection to the private gain of the individual businessmen, the MTSO declared that they would built a school with their share from the profit made out of the sale. It is seen that the local branch of the Milliyetçi Hareket Partisi (Nationalist Movement Party, MHP), which have an organic connection with the head of the MTSO- Bülent Koşmaz-, declared its support for the MTSO's decision⁹⁹.

The participation of conflicting interests (the long-time tension between the MTSO and MTB for eg.) to a development project may sometimes be an “enforced” participation in the sense that it occurs in order to prevent the misreadings of non-participation or unwillingness to participate by other local actors. It is largely due to the fact that such developmental projects are generally built on the discourse of enhancing “locality's well-being”. Thus, reluctance for participation by some local actors may be evaluated as having reservations about contributing to this common well-being (Gendron, 2006). In short, under some circumstances local actors may be pushed to collaborate in order to maintain their positions within the local power structure as well as their reputation in the public opinion. It is quite possible to see the participation of MTSO from such a viewpoint. Besides, it was earlier mentioned that some of the individual businessmen in the MOGG were members of the MTSO.

As understood from the declarations of the provincial council members, the objections were also made by the AKP members¹⁰⁰. In this sense, the political

this to the people of Manisa”. *In the meeting some of the members criticized MTSO's decision of building a public school in Manisa with its profit shares from the sale of Sümerbank Textile factory land to KİPA* (Manisa Haber Newspaper, 20 January 2006).

⁹⁹ Head of MHP's Manisa branch, Mesut Bayram Laçalar, made a public declaration after MTSO declared that they will built a public school in Manisa with its profit shares from the sale of Sümerbank Textile factory land to KİPA. Laçalar said: “I wish everyone would have been as honorable as MTSO. I both congratulate the head, Bülent Koşmaz, and the MTSO. I hope this will be a role model for other chambers and associations” (Manisa Haber Newspaper, 06 February 2006).

¹⁰⁰ “Weekly meeting of the provincial council meeting was made yesterday under the leadership of chairman, Hayrullah Solmaz. The mostly discussed issue was the purchase of the land of Sümerbank textile factory by the MOGG. *Provincial council member from AKP, Vasfi Demir, stated that businessmen, whose inclusion to the group was suspicious*

contention that emerged after the huge profit made by the MOGG was not restricted to the contention between different political parties, but also included the rise of inner tensions among the AKP's local branch. This indicates that while the generation of land rent can be a basis for the collaboration of opposing political interests as seen in the formation of the MOGG, it can not provide the necessary grounds for the production of local collaboration as opposed to the framework offered by the growth coalition approach.

One of the opponent groups against the MOGG was the old shareholders of the Manisa Sümerbank Textile Factory. They stated that their rights were abused by the MOGG as the sale of the factory land was realized without taking their opinion¹⁰¹. It was understood that in order to suppress the opposition from the old shareholders, the MOGG decided to give more share to the 5000 shareholders (all these shareholders hold the 0,1% while the MOGG has the 99% of the total shares of the Manisa Sümerbank Textile Firm) from the rent generated through the sale of the factory land to TESCO KİPA¹⁰².

and who bought the land for 3.7 trillion TL should inform the public about the process. He added that the sale of the land to a retailer at a price much more than its purchase price is not privatization but unfair trade and is unacceptable” (Manisa Haber Newspaper, 02 July 2005).

¹⁰¹ One of the old shareholders of the Sümerbank factory, Taner Yönder, who initiated the legal case against the sale of the factory land to TESCO KİPA, declared: “*Doing business without taking our opinion is absolutely unjust. On 16 July we will bring together all shareholders. We will not allow the factory which is our right to be used in such a way. Sümerbank factory belongs to Manisa citizens, it can not be given to 47 businessmen. It is time for shareholders who invest for years and have rights in it to uprising*” (Manisa Haber Newspaper; 14 July 2005).

¹⁰² No progress was made in the general assembly of Sümerbank firm in which the new directory board of MOGG was elected. MOGG managers were come up against the reaction of old shareholders. Lawyer Emin Us said: “*Things in Sümerbank process is not proper. They can not slip out of this by paying 8.5% to the old shareholders, because there is a legal process going on. It is not true to bargain during this process. Besides, the amount offered to old shareholders is absurd. The amount that the shareholder with the maximum share will get is 4000 TL and this equals to the salary of the mayor, Bülent Kar, which he gets for being the chairman of the directory board of MOGG*” (Manisa Haber Newspaper; 19 June 2007).

6.4. The Rise of A Local Political Contention

After the resolution of the MOGG partnership and the rising opposition of the shareholders, the emergence of a local political contention is seen in the eve of the 2009 local elections. As stated before, this contention was carried by the CHP Manisa deputy Hasan Ören to the national level. While the old shareholders were organized around a legal struggle for the cancellation of the factory land's sale to TESCO KİPA, Hasan Ören targeted the cancellation of the sale of the Manisa Sümerbank Firm to the MOGG¹⁰³. In this sense, he applied to the Prime Ministry Control Commission with the demand for the investigation of the privatization process. The report prepared by this Commission concluded that the sale of the Sümerbank firm to the MOGG should be cancelled and followingly the Prime Minister approved the report and ordered the Privatization Administration for the execution of the Commission's decision. However, as stated in the press, since the Privatization Administration did not immediately put the decision in practice, the MOGG was enabled to sell the whole factory land to another retailer firm, REDEVCO.

Thus, the strength of the national ties that the MOGG's directory board has is clear and this enabled the MOGG to pursue its landed interests to the end. However, the local political opposition was resulted in the defeat of the AKP candidate (it was again Bülent Kar) in the local elections of 2009¹⁰⁴. Referring to the powerful

¹⁰³ Manisa CHP deputy Hasan Ören stated that the Manisa Sümerbank Textile Factory which was a public enterprise was offered to a small group of private actors. He said: "Manisa AKP deputies Mehmet Çerçi and İsmail Bilen insistently advocated the sale of factory to the MOGG and argued that the state was not given any damage due to this sale. What is worse is the fact that Bülent Arınç, the head of the National Assembly, did not say something about the corruption in the province where he is elected from" (<http://www.hurriyet.com.tr/ekonomi/6388530.asp?gid=196>).

¹⁰⁴ Bülent Arınç evaluated the local elections of 2009 and commented on the loss of his party's candidate in Manisa and the success of MHP candidate. He stated that like in the other cities of the Aegean and Mediterranean Regions, there was the coalition of MHP and CHP forming a block against AKP. He pointed out that in Manisa this block was formed by MHP, CHP and DP. Arınç said: "Bülent Kar had done a lot of good work fo Manisa. He did what had not been done in the 30-40 years. The results of the election showed that votes are not given to the provision of urban services but tht there are some other voting criteria

national ties that the MOGG have through the active role of the Manisa Municipality, whose mayor was elected from the party in rule of the national government, and to the close cooperation between the Manisa Municipality and the 47 individual businessmen, Hasan Ören stated in a press declaration he made with other CHP deputies and local politicians of CHP (Kırklareli Deputy Mehmet Siyam Kesimoğlu, Edirne Deputy Nejat Gencama, Artvin Deputy Yüksel Çorbacıoğlu, Yalova Deputy Muharrem İnce, Manisa Deputy Nuri Çilingir and the head and vice head of CHP Manisa Branch, Vehbi Köse and Hüdai Fazlılar respectively):

“The aim of the sale of the Manisa Sümerbank to the MOGG at the beginning is in conflict with the afterwards executions. Prior to the sale, it was planned that 51% of the firm shares will be held by the MOGG while the 49% would be offered to the public. However, for unknown reasons, 51% of the shares was sold to TESCO KİPA firm for a price of \$13.75 million. Together with this sale and the sale of the factory’s machinery, the 47 businessmen of the MOGG each made a profit 9 times the amount they put- 150 billion TL- when they were purchasing the factory. The things that are said to be done for the sake of Manisa now turn out to be gaining benefit from the property of the state and the public. Nowhere on earth, it is possible to get 10 times you invest without doing anything. But it is possible if you collaborate with the central political authority in Turkey. I can not understand why Manisa municipality which only has %5 shares of the Manisa Sümerbank Textile Firm involves in this issue this much” (04.01.2006, <http://www.haber7.com/haber/20060104/CHPl-i-vekillerden-satis-tepkisi.php> visited on 19.04.2010).

In line with CHP’s opposition to the sale of the Manisa Sümerbank Firm to the MOGG, the head of CHP Manisa Branch, Vehbi Köse, stated that Hakkı Bayraktar, who is both CHP and MOGG member, would be subject to the inner party disciplinary process and be dismissed from CHP unless he sells his share and resign from the MOGG (04.01.2006, <http://www.haber7.com/haber/20060104/CHPl-i-vekillerden-satis-tepkisi.php> visited on 19.04.2010).

involved. Propagandas which are sometimes explicit, which are sometimes underhand were done in order to weakeni AKP. Three days before the elections, video tapes appeared, CDs were distributed, rumours were spreaded; the Sümerbank incidence was abused as a part of these propagandas” (30.03.2009, <http://www.tumgazeteler.com/?a=4888066> accessed on 25.01.2010).

The political opposition against AKP by using the MOGG incidence was the hallmark of the local politics in Manisa before the 2009 local elections. In this sense, in the meeting organised by the Manisa branch of Doğru Yol Partisi (True Path Party, DYP) in order to support the old shareholders of the Sümerbank firm, the head of DYP's Manisa branch, İsmail Şahin said:

“How did the shares of 5000 Manisa people, which covered 8.5% of all shares in 1950s, decrease to %1? *In 2004, AKP managers made a capital rise for the firm and the shares and therefore the land rights of founder shareholders drastically decreased.* The aim of privatization is to distribute (urban) services for the mass, isn't it? Why isn't the plan change, about which the public thinks that it was made for rent, made before the purchase? Public wants to be informed about this issue...What is the difference between entrepreneurs in the MOGG who purchased this factory with devotion today and the altruistic people who became founder shareholders of the firm in the past? The answer is simple for us: There is no difference. Both of these groups of people try to serve to Manisa in order to enhance our city; we do not have any doubts about that. However, who makes these two groups of Manisa lovers come up against each other is the irresponsible, *lawless and ineffective attitudes of AKP government and their representatives at the local level.* This factory land should have been privatized by an open process in which the old shareholders were included” (Manisa Haber Newspaper; 03 August 2005).

Evaluating Sümerbank incidence within a wider perspective concerning economic growth policies in Manisa, Türkiye Komünist Partisi (Communist Party of Turkey, TKP) Manisa mayorship candidate for 2009 local elections Yumni Kement said:

“In Manisa, agriculture was in crisis long before the current economic crisis. Prior to 2000, Manisa was also known as a city of agriculture, but, it is difficult to say that. The process that has been commenced with the aim of articulation to EU Common Agricultural Policy has brought agriculture in Manisa to an end. Inevitably, agricultural industry was also eradicated. Sümerbank textile factory is the obvious example of this eradication. This factory aimed at the utilization of locally produced cotton within the industrial activities. However, it is now in ruins. The factory was sold to a local consortium. In this consortium, there are businessmen who are members of MHP and CHP as well as the mayor from AKP. At the time of the sale of the factory by the state, they were lobbying the central government by arguing that it is

better to sell the factory to local capital rather than giving it away to the outsider capital. However, they sold every tile of the factory after the purchase and made big amount of money. Besides, they sold the land to a Dutch firm with a huge profit. This is a clear example that there is no difference between local and outsider capital and that privatization is always against the interests of the workers” (21.03.2009 <http://www.tumgazeteler.com/?a=4847136> accessed on 25.01.2010).

As stated before, the involvement of the mayor, Bülent Kar, in the MOGG as the representative of Manisa municipality was the main determinant factor which triggered political opposition against AKP. Thus, the abuse of public authority for individual gain by a group of people¹⁰⁵ was the most commonly used argument by the political opponents. In this sense, the Demokrat Party (Democrat Party, DP) mayorship candidate in 2009 local elections, Atilla Efendioğlu (interviewed on 30 August 2008) told that joint actions of the municipality with a group of businessmen which were seen as rentiers by the majority of the local public was the main problem related with the MOGG. In this regard, an old Manisa mayor- Zafer Ünal- commented that Manisa Sümerbank Firm should only be bought by the municipality rather than its purchase by a group of local businessmen. Thus, during the interviewees the most frequently declared opinion regarding the Sümerbank experience was the identification of the process as an “incidence of corruption” which was generally put into words as “a small group of people gained a big economic rent from the privatization of a public land”.

Local political opposition against the MOGG and relatedly to the ruling party was not only carried out by the local branches of the political parties but also by the

¹⁰⁵ Within this regard, Bülent Kar (interviewed on 27 April 2009) himself stated: “We firstly decided to divide the land and sell a part of it to KİPA. We signed a sales agreement with KİPA and declared it to the public. After this point everything became complicated. First of all old shareholders went on court but their demand was rejected. While they were using their right of appeal, the issue was carried to the national level by the articles written by some columnists on national newspapers. After that the issue was politicized. Due to the fact that I was the chairman of the executive board of the MMOGG was introduced to the public as the gaining of illegal money by AKP politicians. *In fact, everything was legal. My chairmanship in the MOGG’s executive board was carrying the aim of creating trust among the other members and being a unifying element*”.

local branches of some associations like the Association of Atatürkist Thought known by its explicit opposition to AKP. The head of this associations Manisa branch, Nalan Güner, stated:

“The sale of public enterprises which are precious assets of the Turkish Republic almost for nothing, their sale to ideological proponenets and to foreigners created a deep sorrow and worry in the public. Favouritism and corruption in the privatization of Sümerbank textile factory caused inconvenience in the public conscious.... We don't believe in the MOGG's argument of 'Let Manisa's assets stay in Manisa' since Bülent Kar offered a public asset in this way and he should immeaditely resign. Besides, those who have taken part in MOGG should resign as well' (Manisa Haber Newspaper; 21 May 2007).

In response to these political oppositions, Bülent Kar claimed that the formation of MOGG and its activities has no political dimension and implied that opposition may be obstructive against Manisa:

“For two years, the issue of Sümerbank firm is discussed in Manisa. Two things should be separated here. This incidence does not have a political dimension as people from different political views take part in the MOGG, but have a commercial dimension...However, some groups who aim to gain political rent from this incidence used it to stain the name of our Municipality, myself and the businessmen in the MOGG. They attempt to erode my party and myself (Manisa Haber Newspaper, 09 May 2007; Manisa Haber Newspaper, 23 May 2007).

With the effect of the strong political oppositin against him, Bülent Kar was resigned from his chairmanship position in the MOGG two years before the local elections. The position was filled by Erdinç Yumrukaya. As the case for the cancellation of the the title deed of the factory land is continuing the MOGG firm maintains its legal status but the activities of the MOGG has come to an end with the sale of the whole factory land to REDEVCO.

All in all, it can be said that the political opposition against the previous mayor-Bülent Kar- and followingly to AKP is related with the active involvement of Bülent Kar in the MOGG partnership in which the individual businessmen have a

definite dominance in terms of both their financial contribution and the role they played in the decision- making organ of the MOGG firm. The plan change that the Manisa municipal council made before the sale of a part of the factory land to TESCO KİPA and the sale of the Manisa's Municipality's share in the factory land to the MOGG firm with a price under its current value prior to the sale of the land to REDEVCO are clear examples of the use of municipal authority for generating land- rent. The crucial point is that, as the interview with Hakkı Bayraktar has revealed, the previous mayor seemed to be quite sensitive to the expectations of the individual businessmen, i.e. their landed-interests.

The fact that the Bülent Kar was elected to Manisa mayorship from the ruling party was a determinant factor in the sale of the factory land to the MOGG by the Privatization Administration. While the strength of the supra- local ties for the pursuit of the local interests is clearly exemplified in the MOGG case, the political opposition that was carried by the CHP deputies at the national level show the intermingling of the local and national level politics in Turkey.

6.5. Conclusion

With a general evaluation, it is understood from the interviews that the extensive local opposition to the MOGG was not a disagreement with the idea of an urban redevelopment, incorporating the generation of urban land rent, in principle. Rather, the distribution of the rent was the issue that was rejected in the Sümerbank case. It was identified that as the Manisa Municipality as the pioneer member of the MOGG failed to organise the distribution of the rent properly and underpinned a small group of businessmen for gaining land- rent (Nejat Arusan- a municipal council member at the time of MOGG's establishment pointed out this issue as well), the privatization of Manisa Sümerbank Textile Firm has triggered the biggest local political contention in Manisa in recent times.

As the distribution of land- rent emerged as an important factor behind the local political contention in Manisa, it can be stated that an essential weaknesses of the

growth coalition approach is its underestimation of the distribution of land –rent. The growth coalition approach argues that the place- dependent interests which directly or indirectly benefit from urban growth form coalitions and that these coalitions are led by the landed- interests. The motive of the landed- interests for the generation of land- rent is therefore regarded as an important factor behind these local coalitions. Although the motive for the generation of land –rent is a central aspect of the local politics in Turkey and thus conflictual political interests may cooperate around land- rent, as the Manisa case has shown the issue of the distribution of the land- rent, which is directly related with the role of the municipalities, is an essential ground for conflicts among different local actors. To conclude, while the generation of land –rent may serve as a common ground for the emergence of coalitions between some local groups (in Manisa case the municipality and a group of individual businessmen), it can not be a basis for the creation of local collaborations.

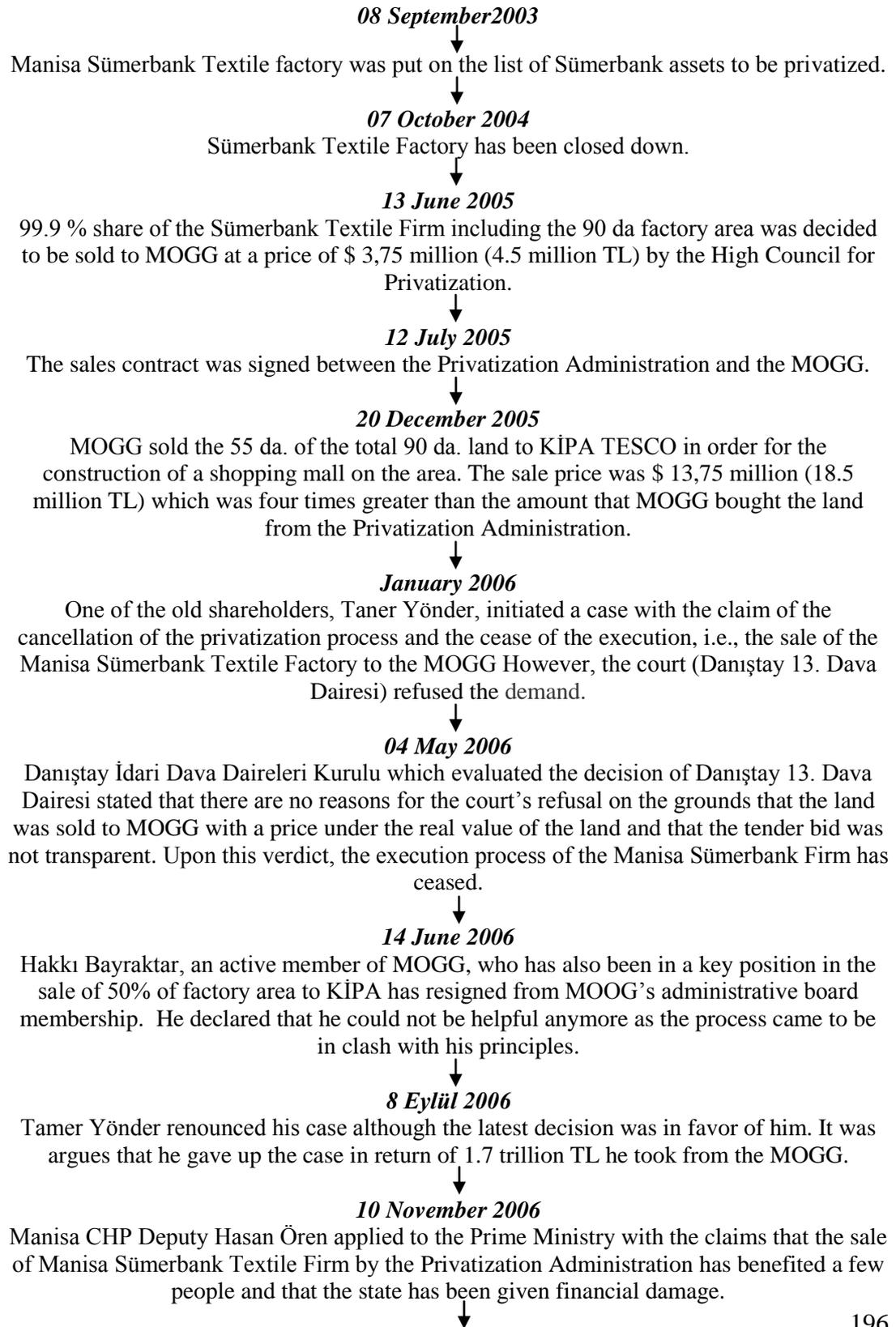
This is in the first place due to the fact that the municipalities, which are the main local institutions having the authority for the generation and the distribution of the land rent, are likely to act as one of the stakeholders of the process of land- rent generation given the state policies in the post- 1980 period. Due to the authority given to the municipalities for the generation and distribution of land-rent after 1980, the municipalities have become an essential loci of power as the target of the landed- interests and the construction capital and in this sense the political influence of these interests has been an peculiar dimension of local politics. However, as clearly exemplified in the role assigned to the municipalities in the urban regeneration projects in the recent decade, the municipalities has become the pioneer local actors which initiate the generation of land-rent in the localities. While the growth coalition approach define the main initiators of a growth coalitions as the private actors having landed- interests, in the current situation in Turkey the municipalities emerge as the main local actors which organize such coalitions through public- private partnerships. The increasing engagement of the municipalities in such entrepreneurial activities poses question on the distributive

roles of the municipalities regarding land-rent since the maximization of profit/ rent is the basic feature of such activities. In other words, municipalities through their engagement in rent- seeking activities tend to concentrate on the generation of maximum rent while this results in the subordination of their distributive roles to the motive of rent maximization.

The main distributive mechanisms that the municipalities may utilize is the land-use decisions and the use of the public land. It is made evident in the MOGG case that the Manisa municipality used both of these mechanisms for providing a rent-increase on the land. Prior to the sale of the factory land to TESCO KİPA, it enhanced the road connection of the area through a change in the development plan. The transfer of the municipal share of the factory, i.e. the public land, to the MOGG firm before the land's sale to REDEVCO is a clear example of the incorporation of the public land to the benefit of the private interests.

Under the current circumstances in which the municipalities have become rent-seeking local actors, it is likely that political contentions will emerge as realized in the MOGG case. As the main local political actor having the authority for the generation and the distribution of land- rent, the decisions and the preferences of the municipalities are increasingly subject to political opposition. Besides, the determinant role of party politics in local level political processes in Turkey reinforces this local political opposition and therefore the local coalitions built among different political interests around land-rent through public- private partnerships are likely to be dissolved easily.

Figure 6.2. A Chronological Flowchart of The Privatization of Manisa Sümerbank Textile Factory



26 Aralık 2006

The Manisa Municipality's share of the factory land was decided by the Municipal Committee (Belediye Encümeni) to be sold to the MOGG firm. It was later come up that the land was sold for a price of 50 TL per m², while the current value was determined as 370 TL per m² by the experts. Due to this sale, it was stated in the press that the total loss of the Mania Municipality was 1.6 million TL.



27 Aralık 2006

The Manisa Municipality send an order to the Manisa Directorship of the Title Deed Registration in order to remove the caution of "assigned for public good" about the land from the title deed.



12 December 2006

Upon the application of Hasan Ören, the Prime Minister Recep Tayyip Erdoğan gave an order to the Chief Contoller of thr Prime Ministry and the Ministry of Finance for preparing a report on the issue.



16 March 2007

A report was prepared by Prime Ministry Control Commission concluding the cancellation of the sale of Manisa Sümerbank Textile Factory to the MOGG by the Privatization Administration. The report took into consideration the decision of the Danıştay İdari Dava Daireleri Kurulu and its grounds of the sale of the land to the MOGG with a price under its market value and of the non-transparent tender bid.



05 April 2007

The report was approved by the Prime Ministry.



06 April 2007

The Prime Ministry ordered the Privatization Administration to refund the firm shares of Manisa Sümerbank Textile Factory. In the order, it is also stated that investigations are to be commenced concerning the tax activities of MOGG and the (mis)use of authority by the executive members of both the MOGG and the Privatization Administration.



13 Nisan 2007

On the eve of an investigation, the MOGG sells 90 da. of the Sümerbank factory area to REDEVCO, a Dutch firm, for 47.5 million TL.



24 April 2007

Upon the report of the Prime Ministry Control Commission, the vice president of the MOGG, Erdinç Yumrukaya-who is also the owner of Manisa ETV local TV channel and a local newspaper (Denge Gazetesi) - stated that the decision of a single controller does not bind the MOGG. On the contrary, Manisa CHP deputy Hasan Ören, who made the application to the Prime Ministry against the MOGG said: "The decision that the Prime Ministry Control Commission took is an order and thus the Privatization Administration should execute the order".



01 May 2007

After the sale of the factory land to REDEVCO by the MOGG, the Privatization Administration goes to the court with the claim for the cancellation of the acts concerning

the factory land's transfer to REDEVCO. The case was initiated both against the MOGG and REDEVCO.



18 May 2007

The sale of % 99.99 share of Manisa Sümerbank Textile Firm to MOGG was cancelled by the Privatization Administration and a case was initiated by the Privatization Administration with the claim for the cancellation of the title deed of the land which was sold to REDEVCO.



19 May 2007

After the cancellation of the sale of Sümerbank factory land by the Privatization Administration, Governor Refik Arslan Öztürk declared that they went to court for the postponement of the general meeting of MOGG. Besides, a caution was put on the title deed record of the factory by the initiation of Manisa Governor and the Property Registry Directorate of Manisa in order to prevent sale of the factory land to another party.



21 May 2007

Bülent Kar replied to Governor's declaration about the legal case they initiated against MOGG. Kar said that there is no reason for the postponement of the general meeting since the legal process is continuing.



23 May 2007

Bülent Kar has resigned from MOGG. Erdiñç Yumrukaya, a local businessman in the commercial sector, became the new chairman for the directory board of the MOGG.



05 November 2007

Danıştay 1. Dava Dairesi evaluated Bülent Kar's refusal for the cancellation of the claim for his judgement and by rejecting Kar's refusal decided that he should be judged.



06 March 2008

A case is initiated at Manisa 4. Regional Criminal Court by Ali Suat Ertosun, an old-shareholder of the Manisa Sümerbank textile factory, against Bülent Kar with the claim that he abused his mayorship position during the purchase and sale of factory. The detailed claim was that Bülent Kar had removed the caution on the title deed of the factory land's share owned by the Manisa Municipality.

The report prepared by an expert group about the estimated current value of the factory area was presented to the court. It was also appeared in the press that the head of the group- The Dean of Engineering Faculty of Manisa Celal Bayar University, Prof. Dr. Ümit Gökkuş- was threatened by two businessmen of the MOGG, Erdiñç Yumrukaya and Arif Koşar in their visit of the dean.



29 December 2008

Bülent Kar was exculpated in the case against him claiming his abuse of mayorship position.



02 February 2010

Yargıtay disapproved the local court's decision for the refusal of the cancellation of the title deed of the Manisa Sümerbank Factory Land.

CHAPTER 7

CONCLUSION

Summary and Findings of The Research

This thesis has departed from a broad question concerning the nature of local growth politics under the current economic and political context. The basic aim in this sense was to show that the contemporary local growth politics is characterized by increasing conflicts and fragmentation. In this sense, a challenge was posed to the mainstream accounts arguing the necessary tendency towards local collaboration. It can be said that this necessity has signified two main things. One of them is the inevitability of the production of local collaboration under the conditions of the increased inter-urban competition for highly mobile global capital, the scarcity of state resources and the qualified labor and etc. The second is the suggestion of the local collaboration as a local policy tool for the enhancement of locality's competitive advantage and thus its local economic performance.

First of all, contrary to these mainstream arguments, it is basically claimed in this thesis that the increased inter-urban competition can not resolve the existing intra-local conflicts. In other words, it is asserted that the conceptualization of local growth politics should not frame the locality as a fixed entity which is responding to outside forces. In this sense, rather than defining the current economic and political context solely on the grounds of inter-urban competition, which is both limiting and misleading, the increased dominance of the business actors in determining the localities' economic futures and the increasing involvement of the local state institutions in entrepreneurial activities are brought forward as the two main aspects of the political-economic context of current localities. In this sense, in Chapter 3, the discussion on the prominent features of the Turkish national economic and political context in the post-1980 period has shown the emergence of a new industrial local elite and the rise of the municipalities as essential loci of power for the generation of land rent.

By viewing localities as continuously redefined and restructured by political processes, some helpful concepts for the exploration of these processes were sought for in Chapter 2. In this sense, by employing a critical perspective towards it, the idea of local dependence was determined as one of the main conceptual tool for the analysis of the conflictual dynamics of local growth politics. Contrary to the sole positive meaning attributed to the different local dependences of local actors in the production of local collaboration, it was argued that different local dependence factors may lead to different growth agendas, to the differentiation of the economic preferences and thus a fragmented and conflictual growth politics. While the local labor market, supplier relations and consumer markets are primary local dependence factors for industrial firms, land ownership becomes the main dependence factor for the agricultural capital and other landed-interests to a locality. The diversification of the local dependences which is identified as a basis for local conflicts is discussed in Chapter 5 around the case of the struggle between the Manisa Ticaret ve Sanayi Odası (Chamber of Commerce and Industry of Manisa, MTSO)- as representing of the small- commercial & agricultural interests- and the industrialists of the Manisa Organize Sanayi Bölgesi (Manisa Organised Industrial Estate, MOSB) for taking the control of the MOSB. This case also enabled us to critically discuss the main premises of the urban regime approach like conflict-management in local politics and the emergence of institutional leadership etc.

Another key concept was the spaces of engagement which refers to the supra- local connections of the local actors. This conceptual tool is central to the discussion of local growth politics in the Turkish context which is characterized by the intermingling of the local and national level politics. In Chapter 3, the basic channels through which the local actors connect with the national politics were identified as the party- politics and the business associations. Besides, as seen in Chapter 5, in the case of big capital without the mediation of these channels, direct links can be built with the national government. Therefore, the argument concerning the concept of spaces of engagement is that supra- local connections are crucial for the pursuit of different local interests stemming from different local dependences of

actors. Moreover, while the differentiated local dependences are argued to be at the root of the local conflicts, the differentiation of their spaces of engagement is also claimed to foster the existing conflicts.

In addition to these two key concepts, an evaluation of the community power studies, which are regarded as the background approaches for the urban regime and local growth coalitions approaches, has revealed that for a (critical) discussion of the idea of local coherence, the basic local power structure and the local agenda-setting and decision-making processes should be evaluated. Therefore, in Chapter 3 in which the national economic and political context was discussed, the basic power structure in Turkish localities and the decision-making process regarding local growth were mentioned. Besides, in the analysis of the case study, the growth agendas adopted by different groups were presented since these agendas reflect the divergence of their local interests, i.e. the local dependences.

The growth coalition approach has a significance due to its emphasis on the generation of land-rent as the main motive behind the formation of local coalitions. As stated above, one of the defining features of the national context after 1980 has been the increased built environment investments in the cities and the emergence of the municipalities at the heart of this process which involves the generation of land-rent. Through the case study findings about the Manisa Ortak Girişim Grubu (Manisa Common Enterprise Group, MOGG), which was a public-private partnership led by the previous mayor of the Manisa Municipality, the validity of the argument of the growth coalition approach is investigated.

It is essential to note that the contribution of the idea of structured coherence to the analytical framework of this thesis has been its division between the different fractions of local capital and local labor. In this sense, local capital can be divided according to sectors (eg. commercial & agricultural vs. industrial capital), the size of the firm (big firms vs. small and medium-sized firms) or their 'local' characteristics (outsider-particularly multinational-firms vs. native firms). Besides, the divisions among the local labor force may be made according to the lines of

employment status, occupational position, skills, ethnical background, gender etc. The importance of these divisions rests in their explanatory power for the existence of diversified local interests. In this sense, both the discussions in Chapter 4 about the prominent features of the local labor market and in Chapter 5 about the fragmented nature of local business community have incorporated the idea that neither the local capital nor the local labor are homogeneous entities having unified interests.

Given the conceptual tools for the analysis of the case study in Chapter 2 and the main contours of the local growth politics in Turkey in Chapter 3, the history of local growth in Manisa with an emphasis of the development of industry is depicted in Chapter 4. Four main periods which signify essential breaking points in the industrial history of Manisa were identified in this sense. In addition to the evaluation of the historical development of the industrial sector, the prominent features of the local labor force were also mentioned in this chapter since the local labor markets differentiate from each other due to the spatial division of labor and since there are considerable place variations in the character of labor-capital relations. Therefore, it was thought that understanding the basic dynamics of the local labor market regarding the general features of the local labor force and the capital-labor relations is central for the evaluation of local growth politics. Moreover, as opposed to the mainstream conceptualization of local economies, this thesis adopts a wider perspective for evaluating local economies and the politics behind it by incorporating the consequences of the growth process to the analysis. Thus, elaborating on labor processes was an essential element of this perspective as it emerges that one of the essential outcomes of the current economic growth in Manisa is the worsening of the conditions for local labor.

With regard to the features of the local labor force, two essential points were identified. One of them was the high concentration of the blue-collar, unqualified workers in the local labor structure in Manisa, while the other is the considerable share of the immigrant population in the local labor market. The concentration of unqualified labor is largely due to the agricultural background of the locality and

the production type of the big firms (VESTEL firms' reliance on mass production for example). Besides, the increasing demands of the big industrial capital for white-collar and qualified blue-collar workers are provided by the İzmir's local labor market. In terms of the effects of the immigrant workers, it is found out that decreasing wage levels and worsening working conditions were the most essential issues. Furthermore, besides the decreasing wage levels and worsening working conditions, another important consequence of the immigrant labor on the local labor market emerged as the weakness of the job security. It was stated in the interviews that the employers have used the existence of a large reserve of workers whose volume has considerably increased by migration flows as a threatening tool against the currently employed workers. The significant levels of labor sub-contracting which is an employment policy increasingly applied by the industrial firms, in particular by VESTEL, is another factor that negatively affects job security.

To conclude, the hegemonic control of the Zorlu Group Holding Company- through the VESTEL firms producing mainly for the global markets- over the local labor market is the defining feature of the current local capital-labor relations in Manisa. This hegemonic control which incorporates the strict opposition against the labor union activity in VESTEL firms is an essential factor affecting the features of the local labor force. It appears in Manisa case that unqualified, place-bound workers are the local actors who are exposed to the forces of global competition in a way that results in the worsening of their working conditions. It emerges that although both the local labor and capital are locally dependent as well as dependent to each other, the capital-labor relation in operation creates a growth process marked with apparent conflicts.

One of the main targets of Chapter 4 was to show that the increased local conflicts have marked the economic history of Manisa rather than instances of local collaboration. In this sense, it is identified that two main occasions trigger the conflicts among local actors. One of them is the entrance of the new capital and labor into the locality and the second one is the national level forces like the introduction of the new industrial policies by the central state. The establishment of

the Manisa Organised Industrial Estate (Manisa Organize Sanayi Bölgesi, MOSB) by the late 1960s and the shift in the national accumulation strategy by 1980 are essential breaking points where these two occasions intersect. While the establishment of the MOSB initiated the entrance of the industrial capital into the local economy characterized by the dominance of the agricultural capital, macro-economic policy changes in 1980 brought about the strengthening of the industrial capital vis-à-vis the agricultural and small- commercial capital. The enactment of the new OSB law in 2000, on the other hand, paved the way for the current dominance of the industrial capital as the administrative control of the MOSB was transferred from the Chamber of Commerce and Industry of Manisa (Manisa Ticaret ve Sanayi Odası, MTSO)- mainly representing small- commercial capital's and small-industrial producers' interests- to the industrialists of the MOSB representing the big industrial capital.

Within this regard, a brief summary of the prominent features of the four periods in the historical development of Manisa's local economy determined with respect to the composition of the local capital and the changes associated in the local economic structure are as follows:

1. A National Agricultural Center (1923-1970): In this period, which begins by the establishment of the Turkish Republic, agriculture is by far the dominant sector in the economic structure for both the province and the provincial capital of Manisa. The share of industry was not at significant levels regarding the total wealth generated and the number of people employed in this sector. As a national agricultural center and as a provincial commercial center, it is clear that in this period, Manisa's political- economy was marked with the dominance of the agricultural and small- commercial capital interests.

2. The Co-Existence of The Agricultural and Industrial Sectors Begins (1971-1979): The opening of the Manisa Organize Sanayi Bölgesi (Manisa Organised Industrial District, MOSB) in 1971 is an essential turning point in Manisa's economic development history. However, it is seen that the pace of the industrial

investments in the MOSB was low in this period. Thus, rather than an obvious shift in the investment and employment patterns, the dominant role of the agricultural sector was maintained in the local economic structure. The transfer of a limited amount of capital accumulated in the agricultural sector to industrial sector via a few native entrepreneurs and a few investments of the outsider industrial capital were seen. Moreover, it is found out that native investors were reluctant to invest in the industrial sector. Besides, the reactions of some, big agricultural producers against the growth of industrial activities with a fear of losing workers is observed. Thus, the industrial production in Manisa was mainly initiated with the investments of the outsider capital while the native capital owners mostly continued to engage in agricultural and small-commercial activities in this period. The restructuring of the local economy which has begun in this period was then marked with this distinction between different fractions of local capital to be transferred into a conflictual relation in the latest period.

It is important to note the important role of the MTSO in preventing the emergence of an obvious contention between the industrial and agricultural capital. Those engaged in commercial activities were actually agricultural capital owners and the MOSB was established through the efforts of a few 'gentry' which held power in local politics as well as in the MTSO. In other words, the industrial capital was invited in Manisa by a group of local gentry, who were big land-owners engaged mainly with the agricultural activities. As the MTSO was in charge of the MOSB's administration, it also took control of directing industrial capital investments in the locality. In this way, although the entrance of the outsider, industrial capital has initiated a local economic structure which is gradually marked with the co-existence of agricultural and industrial sectors, the agricultural and small-commercial capital's dominance in local growth politics was maintained in this period through its control of the MOSB administration.

3. The Leap of The Industrial Sector (1980-1994): The year 1980 is a turning point for Turkish economy in the sense that it represents a shift in the national accumulation strategy through an export-oriented, free-market economy. While the

previous periods were marked with the strong role of state in the industrial growth of the localities through its direct investments, in the post-1980 period, the capital owners had increased their influence over the economic future of localities through their investment decisions. The growth of the local industry until the first years of 1980s was mainly in the form of the increased investments in the textile and food industry in Manisa. This growth in the agricultural industry continued in this period and was accompanied by the introduction of metal and machinery industry as another blooming sub-sector. An essential reason behind the growth of this sub-sector was the increase in the number of the main firms requiring the existence of supplier firms. Besides, the emergence of some core firms (VESTEL Electronics Firm, established in 1983, and RAKS Electronics Industries) in the MOSB both increased the volume of the industrial activities and resulted in the diversification of these activities along different sub-sectors besides the agricultural industry.

To sum, in this period, the industrial sector in Manisa reached the point where the city ceased to solely be an agricultural production center. Thus, between the period 1980-1994, the local economy in Manisa was subject to essential changes as the composition of the local capital was shifting towards the dominance of the industrial sector and as there were considerable migration flows to the locality due to the growing industry. In this sense, this period can be described as the period during which the dominance of the industrial capital vis-à-vis the agricultural capital began to unfold.

Contrary to this significant change in the composition of the local capital and the local labor, explicit conflicts were not observed in this period. Regarding local capital, two factors are identified to be influential for preventing the manifestation of the conflicts. One of them was the opportunity for the native capital to more easily invest in the industrial sector as a result of the increased state incentives and subsidies under the new accumulation regime. The increasing demand for the supplier industry by the main firms created suitable conditions for the native capital to engage in the industrial activities through small and medium-sized enterprises. The second factor was the presence of a considerable volume of agricultural

industry and this enabled an economic cooperation between the agricultural and industrial capital to some extent. On the labor side, it can be said that the lively agricultural sector which was accompanied by a growing industry were providing considerable employment opportunities for both the native and the migrant labor.

4. The Dominance of The Industrial Capital (1995- Present Day): Following the growing volume of the industrial sector after 1980 in Manisa, multinational firms began investing in the MOSB during the 1990s as well as the increasing investments of the national industrial capital. VESTEL Electronics firm, which was an investment made in the previous period, was taken over by Zorlu Group Holding Company in 1994 and this was identified as the latest turning point in Manisa's local economy. Today, Zorlu Group is the biggest industrial employer in the locality and the main firm which generates a considerable supplier firm activity. It was found out that although Zorlu Group greatly contributes to the local economy, it pushes the competition among the supplier firms and the local workers to a high level. The strict minimum wage policy, the prohibition of the labor union activity in VESTEL firms and the high levels of labor- subcontracting are the main components of Zorlu Group's local labor strategy which increases the conflictual nature of the capital- labor relationship. In terms of the main- supplier firm relations, it was revealed through the case study that VESTEL firms push the competition among the supplier firms in order to cut down the production costs. Besides, it was also learned that it enforced the implementation of the minimum wage policy by the supplier firm owners who are working for VESTEL. Thus, during this period Zorlu Group has built a hegemonic control over the local economy.

Due to the growth of the industrial activity with the great effect of Zorlu Group investments in this period, the industrial capital gained dominance vis-à-vis the agricultural capital. This was also underpinned by the decreasing state subsidies and incentives for the agricultural sector. As result of an essential shift in the composition of local capital and the associated conflicts, the restructuring of the local power relations are also evident in this period. The struggle for gaining the

administration of the MOSB by the MOSB industrialists from the MTSO is the manifestation of the increasing conflict between the agricultural & small-commercial and the industrial capital.

All in all , the discussions in Chapter 4 have clearly shown that the history of local economic development in Manisa is marked with conflicts rather than examples of collaboration. It is especially since the 1995 that the fragmentation of the local capital and the increasingly conflictual labor –capital relationships are realized in Manisa. The conflictual fragmentation of the local capital was not only in the form of the agricultural & small- commercial vs. the industrial capital, but also included the distinction between the big and small & medium- sized firms. It is found out that this fragmentation among the local industrial capital stems from the differences between the local dependences of big and small and medium- sized enterprises as well as their supra-local connections. These differences are determinant upon the local actors' engagement to local growth politics. While it is seen that small and medium-sized entrepreneurs try to gain power through their active involvement in the local branches of the political parties and thus having influence over the central state decisions, big- sized enterprises generally build direct connections with the central state institutions.

Following the discussion on the conflictual relation between the different fractions of capital and the existence of an inner fragmentation among the industrial capital, Chapter 5 has focused on the struggle between the MTSO and the MOSB industrialists for taking the control of the MOSB's administration. The analysis was made by employing the main concepts of the 'spaces of dependence' and 'spaces of engagement'. It was found out that the emergent distinction between the native and outsider industrial investors (this distinction actually refers to the above mentioned fragmentation among the industrial capital in the form of big vs. small & medium-sized firms as the big firms are generally owned by the outsider capital) rests on the different benefits gained from local industrial growth depending on the differences in the utilization of the local resources and the central state incentives. While the absence of legal regulations about the medium- sized firms is a national level factor

affecting the role of the medium-sized firms in the local economy, the ignorance of the small and medium- sized firms by the MTSO during its long-term control of the MOSB emerges as an important local factor in this sense. In other words, the exogeneous form of industrial growth has created a local picture in which the outsider industrial capital easily utilize the local resources as well as the central state incentives whereas the native investors, who have transferred capital from the agricultural to the industrial sector, have found themselves in a disadvantaged position vis-à-vis the outsider capital in this sense. Thus, it is possible to identify the inner fragmentation of the local industrial capital as a potential source of conflict.

As the new law on OSBs has enabled the OSB industrialists to take the control of the OSB administrations, a contentious process was triggered between the MTSO and the MOSB industrialists organised around Manisa Organize Sanayi Bölgesi Sanayicileri Derneği (The Association of the Industrialists of The Manisa Organised Industrial Estate, MOSBSD).

Central to this struggle is the will to control the local resources for industrial development. However, the diverse growth agendas of these two opposing groups have shown that there is an essential differentiation of the priorities and preferences concerning the utilization of the local resources. While the arguments that are used by the MTSO and the MOSBSD during the struggle for the control of the MOSB's administration reveal this differentiation, the interviews have also shown that an agreed-upon future vision for the local economy does not exist in Manisa. It was mentioned in the interviews that the city has got economic potential in a multiplicity of sectors and therefore future growth should urgently be planned by setting the priorities through a joint effort.

Given the lack of a common local vision shared by the local public and private actors, the differentiation of the growth agendas of the small- commercial & agricultural capital and the industrial capital is clear from the arguments of the MTSO and the MOSBSD. It is seen that in line with its local strategy for maintaining its control over the MOSB, the MTSO relied on the argument that MTSO aims to enlarge the MOSB and thus to increase the employment

opportunities provided in the locality. While the importance of good- quality service provision at reasonable prices to the industrialists was also underlined, the priority was given to attracting new investments to the MOSB and to increasing the supply of local jobs.

On the other hand, it was found out that the MOSB industrialists gave priority to providing services to the MOSB firms at lower prices. While the MOSB industrialists have more specific interests on which they built their industrial growth agenda, the MTSO developed a more comprehensive growth vision through which it tries to place itself as the defender of other local interests- including the interests of the local labor- in local growth politics. This strategy targeting local labor should be seen as a part of its wider political strategy in which it underlined the importance of Manisa citizenship against the MOSB industrialist dominated by the outsider investors. In this sense, the arguments used by the MTSO against the MOSB industrialists have pointed out to the claim that the local resources should be controlled by the native people of Manisa in order to secure the interests of the wider local community.

Thus, although the MTSO has strong ties with the national level politics due to the membership position of its chairman- Bülent Koşmaz- in Türkiye Odalar ve Borsalar Birliği (The Union of Chambers and Commodity Exchanges of Turkey, TOBB), the MTSO adapted a political strategy which primarily targeted the support of the local actors. MTSO's informal link with the local branch of the Milliyetçi Hareket Partisi (Nationalist Movement Party, MHP) and the Türk Metal Sendikası (Trade Union of Turkish Metal Workers, TMS), which is also organically connected to the MHP, via Bülent Koşmaz was the backbone of its local strategy. As a part of this strategy, in spite of the growing local industrial capital, the MTSO strongly relied on the use of the rhetoric of “native people of Manisa vs. the outsider industrialists”. In other words, in order to maintain its position in the local growth politics, the MTSO put emphasis on its local ties against the OSB industrialists having powerful supra-local relations. It can be stated that the use of such a strategy is consistent with the local dependences of the interests it actually represents. When

compared to the industrialists, the main local dependence factors of the small-commercial and the agricultural capital, i.e. the land ownership and the localized social and political relations, presents a deeper dependence to the locality.

The main local connection that the MOSBSD had during the struggle was the implicit support of the small and medium- sized investors located outside the MOSB. It was identified that the support given to the MOSBSD by these industrialists is related with their demand for making more use of the local resources. As the MTSO administration is blamed for not taking actions to include the growing native firms in the MOSB and for not providing institutional support to the native investors, the small and medium- sized investors outside the MOSB supported the cause of the MOSB industrialists which they thought were more likely to respond to their demands.

Concerning its supra- local connections, it is seen that the MTSO used two essential channels to reach to the national level politics. One of them was through TOBB in which Bülent Koşmaz has the position of vice chairman. Bülent Koşmaz's long-term managerial position in the TOBB enabled the MTSO to have an essential opportunity for its easy access to national politics. The other channel was the Supreme Organisation of Organised Industrial Estates (Organize Sanayi Bölgeleri Üst Kurulu, OSBÜK) which was established by virtue of the new OSB law and which is the national organisation of the OSBs in Turkey (membership is not compulsory but depends on the choice of the OSBs). By taking active part in the establishment of OSBÜK in 2002 and by being its first chairman, Bülent Koşmaz developed a new, formal supra-local tie which the MTSO utilized for defending its local position against the MOSB industrialists.

On the MOSBSD side, the bargaining power of the Zorlu Group vis-à-vis the central government was the most determinant factor upon the supra-local connections of the MOSB industrialists. Besides, the newspaper archive search has revealed that as the MTSO built links with other local chambers being in similar local circumstances concerning the OSB's management, the MOSBSD got the

support of the Common Platform of The OSBs of Turkey (a rival organisation to the OSBÜK as it was established by the OSB industrialists trying to take the control of the OSBs from the local chambers in their localities). When their supra- local relations are compared, it is seen that the MTSO mostly used the traditional channels of local chambers and political parties mentioned in Chapter 3 for connecting with the national level politics. On the other hand, the existence of Zorlu Group among the MOSB industrialists enabled them to built more direct links with the decision-makers at the national level.

The conflict between the different fractions of local capital which was revealed as a contention around the MOSB's administration was discussed in Chapter 5. The main argument of the chapter was that the divergence of the priorities and preferences regarding the utilization of the local resources stems from the differences in their local dependences. Chapter 6 focused on a single dependence factor: the pursuit of landed- interests and investigated the possibility of the production of a local coalition around land- rent as argued by the growth coalition approach.

A public- private partnership-called the Manisa Ortak Girişim Grubu (Manisa Common Enterprise Group, MOGG)- was formed in Manisa in 2004 in order to purchase the Manisa Sümerbank Textile Firm (initially the partnership targeted only the purchase of the factory land but the formal requirements of privatization did not allow this) from the Privatization Administration. The partnership included the institutional participation of the Special Provincial Administration, BESOT A.Ş.- an enterprise of the Manisa Municipality, Manisa Ticaret ve Sanayi Odası (Chamber of Commerce and Industry of Manisa, MTSO), Manisa Ticaret Borsası (Commercial Commodity Exchange of Manisa, MTB) and Manisa Esnaf ve Sanatkarlar Odaları Birliği (The Union of Chambers of Tradesmen and Artisans of Manisa, MESOB). Besides these institutional participations, the partnership included 47 individual local businessmen. The individual businessmen had a dominant role in the partnership given their financial contribution to the initial capital of the firm, which was established by the MOGG members in order to buy the Manisa Sümerbank

Textile Firm. The 5 % of the firm shares belonged to the MTSO, MESOB, MTB, The Special Provincial Administration and the Manisa Municipality while the 95 % of the total shares were owned by these 47 individual businessmen.

The role of the Manisa Municipality, in particular the previous mayor- Bülent Kar- in this partnership was significant. The partnership was formed by the initial idea put forward by the mayor and some other leading local politicians in the municipal council. The sale of a part of the Sümerbank factory land to a retailer firm-KİPA TESCO- after a short time of its purchase from the Privatization Administration was a turning point for the MOGG partnership. The sale price of the land was nearly four times of the amount that the MOGG paid to the Privatization Administration. The huge profit that was made through this sale was the main line of objection that was raised against the directory board of the MOGG, which was dominated by the individual businessmen and headed by the previous mayor- Bülent Kar. The objection came both from the members of the MOGG and from the other local (political) groups. After the dissolution of the partnership, the Manisa Municipality, the MTB and the individual businessmen have become the active members while the MTSO, MESOB and the Special Provincial Administration have remained only as the formal participants and declared their discontent about the activities of the MOGG's directory board.

While the legal cases against the first sale was continuing, the MOGG sold the whole of the factory land to another retailer firm- REDEVCO- as the first firm cancelled the sales protocol. The role of the municipality is crucial in both sales. Prior to the first sale, a plan change was made on the land through the introduction of a road connection which enabled an increase in the value of the land. In the second sale the Manisa Municipality sold its share on the factory land to the MOGG firm and by this way the size of the area which was put on sale was increased.

Therefore, the leading role that the Manisa Municipality has in the generation of huge land- rent through the sale of the land to a private firm triggered a local political contention which led to the defeat of Bülent Kar in 2009 local elections. It

was found out through the interviews and the newspaper archive search that the extensive local political opposition to the MOGG was not a disagreement with the idea of an urban redevelopment, incorporating the generation of urban land rent, in principle. Rather, the distribution of the rent among a small- group of individual businessmen was the issue which was subject to local political opposition in the MOGG case.

Rethinking The Theory Around Case Study Findings

In the idea of local dependence proposed by Cox (1997), the differences in local actors' dependences are underestimated and their effect on the emergence of conflicts are not taken into account. Although the existence of conflicts between local actors are assumed (like the conflict between the local capital and labor for eg.), their local dependences, in spite of their differences, are seen as the common ground upon which the local collaboration is built. However, the Manisa case has shown that the small-commercial & agricultural capital is tied to the locality on the grounds of their landed- interests and on the local political relations (the municipality is the main loci of power in this sense) whereas the industrial capital is tied to the locality on the grounds of quite different interests, which are identified as the infrastructural services, the supplier- main firm relations and the local labor market, than those of the small- commercial & agricultural capital's. The differences between the local dependences of different fractions of capital are reflected to their priorities and preferences regarding local growth which is exemplified in the diversification of the growth agendas pursued by the MTSO and the MOSBSD.

Morevoer, it is shown that although the industrial capital is dependent to the locality on the grounds of these three factors mentioned above, the *inner form of dependence* on the same factor differs according to the different groups of the local industrial capital. It was exemplified in the differentiation of the local labor features required by the VESTEL firms and the small and medium- sized investors. In concrete, while the existence of the unqualified local labor is an enabling

dependence factor for the VESTEL firms, it works as a disabling factor for the small and medium- sized firms. Thus, in particular for the local labor market, certain *characteristics of the local dependence factor* can create differentiated expectations and hinders the development of a shared local agenda on the same dependence factor.

The co- existence of conflictual local interests stemming from distinct local dependences of different fractions of capital (the small- commercial and agricultural vs. the industrial capital in Manisa case) and the diverse interests that the inner form of the local dependence may brought about has shown that the local dependence is not necessarily serve as a ground for local collaboration. Following this, the arguments of the urban regime approach will be evaluated. Assuming that cooperation does not necessitates the uniformity of the economic interests or consensus over values and beliefs, the urban regime approach argues that through the management of conflicts local collaboration could be achieved. In other words, collaboration is assumed not as given but as something that could be achieved. Similar to the idea of local dependence, ‘mutual dependence’ and ‘bounded rationality’ are seen as essential factors stimulating the social production of local collaborations. In this sense, local politics is seen as a process through which different economic and political resources hold by different local actors are brought together and utilized for the collective aims. It is assumed that the bounded rationality, which is seen to lie at the root of social and economic relations, produces the formulation of collective aims. However, the discussion on local dependences of different local actors has already shown that the possibility of the formulation of collective aims and thus a shared growth agenda is low.

At this point, the idea of conflict management and the argument that the participation of local actors to local collaborative practices would contribute to the individual power capacity of each actor will be discussed. For conflict management, the urban regime approach attributes an important role to local leadership and argues that this leadership does not carry ideological or political background. In this sense, the case study findings have clearly indicated that the existing leadership

structure in Manisa is far from being able to resolve local conflicts given the diversified local interests of represented by different institutions. Besides, contrary to the urban regime approach's idea about a politically- neutral leadership, it was argued in this thesis that the local chambers and other local business associations having a high potential for local economic leadership are highly political given the close interaction between the local chambers and the local branches of political parties in Turkey. Given these circumstances, it is suspicious that the idea of the resolution of the conflicts under effective local leadership be applicable in Turkish localities. It is essential to note here that the Manisa Governorship and Manisa municipality were given priority by the interviewees in taking the leadership role for the future of the local economy. Thus, the mediation of the state institutions among different business groups was underlined by the local notables. These results are also in line with the claims of the interviewees stating that the MOSB has grown disconnectedly from the city. The mismatch between MOSB's growth and the physical and social adaptation of the city to this growth was one of the most commonly mentioned problems regarding local industrial development. This mismatch was seen as a primary problem for Manisa and for this reason the municipality was said to have a more effective role in local growth decisions.

The idea about the enhancement of the individual power capacities of local actors through their participation to local growth coalitions was opposed on the grounds of the dominant role that the central state has in the economic growth of localities in Turkey. As the urban regime approach is developed within a national context in which the local state is the main loci of power for the generation and distribution of the resources and the main decision- making institution regarding local growth, the local coalitions including the participation of the local state is put forward as the basic picture concerning local growth politics. However, regarding the economic growth of the localities, the national and local level politics are intermingled in Turkey and for this reason local actors' supra-local relations gain prominence. Therefore, participation to local coalitions is not a necessary factor for the enhancement of the power capacities of the local actors. As clearly seen in the case

of Zorlu Group, the strong supra-local relations may be the primary factor for the power of local actors.

As the distribution of land- rent emerged as an important factor behind the local political contention in Manisa, it can be stated that an essential weaknesses of the growth coalition approach is its underestimation of the distribution of land –rent. The growth coalition approach argues that the place- dependent interests which directly or indirectly benefit from urban growth form coalitions and that these coalitions are led by the landed- interests. The motive of the landed- interests for the generation of land- rent is therefore regarded as an important factor behind these local coalitions. Although the motive for the generation of land –rent is a central aspect of the local politics in Turkey and thus conflictual political interests may cooperate around land- rent, as the Manisa case has shown, the issue of the distribution of the land- rent, which is directly related with the role of the municipalities, is an essential ground for conflicts among different local actors. To conclude, while the generation of land –rent may serve as a common ground for the emergence of coalitions between some local groups (in Manisa case the municipality and a group of individual businessmen), the local coalitions formed around the creation of land-rent is likely to be temporal and open to high-levels of politicization of the emergent coalitional processes.

Recommendations For Further Studies

In this thesis, through the case study findings in Manisa, the contested nature of local growth politics is identified as opposed to the mainstream accounts claiming the necessary tendency towards local collaboration under increased inter- urban competition. The strong emphasis on the inter- urban competition and the effective use of local resources through collaborative practices is related with the restructuring of capitalism on an increasingly global scale and the withdrawal of the state from its direct intervention in local economies which are two essential phenomena of the contemporary period. In this sense, the argument on local coherence is thought to serve as a justifying ground for the increased dominance of

the business actors in directing the path of local growth as a result of these phenomena. In other words, the idea of local coherence which is also imposed as a local policy tool as an essential factor for local economic growth has a neo-liberal ideological background.

Having this critical perspective, it is shown in this thesis that local growth politics is marked with conflicts between different fractions of capital and between local labor and capital. Besides, it is pointed out that it is not possible to talk about a unified local interest. However, this result does not exclude the possibility of the emergence of some temporary coalitions as presented in the discussion about the MOGG case. The motive for the generation of land rent is identified as one of the grounds for the emergence of temporary local coalitions. Identifying the factors which evoke the formation of such coalitions is thought to contribute to the development of an alternative framework regarding the nature of local growth politics which this thesis is proposed and hopefully made an introductory contribution.

Moreover, in this thesis differentiation of the actors' local dependences were identified as the possible sources of local conflicts and it was also shown that the divergence of their supra-local connections have a determinant effect on these conflicts. To conclude, through further empirical studies both the different sources for local conflicts and the factors which lead to temporary local coalitions can be identified. Although a discussion concerning the local labor was also made in this thesis, given the limitations of the thesis scope, mainly the conflicts among the local business elite were elaborated. Therefore, another group of studies can focus on identifying the local dependence factors of the workers.

Policy Implications

It is identified through the case study findings that the local business actors attributed a central role to the local state institutions for ensuring a coordinated local growth. This view stems from the fact that the MOSB administration was the only authorized local institutions leading the industrial growth in the locality. With the

introduction of the new OSB law in 2000, OSB administrations were empowered through the legal right to make the development plans for the OSBs and the necessary expropriations for the production of industrial plots. The OSB administrations decide the enlargement of the OSBs with the approval of the Ministry of Industry and Commerce. The negative consequence of this institutional structure regarding industrial growth in Manisa has been the increased burdens on the municipality in terms of infrastructural and housing provision due to the migration flows to the locality. Therefore, the existing legal framework (the law of OSBs- no. 4562 and the law of municipalities- no.5939) should be revised in a way to enable the coordination between the municipalities and the OSB administrations.

While the municipalities are excluded from the decision- making process regarding industrial growth in localities, it is seen that they are given a active role in the law of Regional Development Agencies (RDA). The new economic development policy gradually introduced by the central state in the post- 1980 period targets the utilization of the local resources for local economic growth and in this sense tries to ensure the increasing incorporation of the private sector to the growth process. While the municipalities, which are financially contributing to the budgets of the RDAs, are given an important role at the regional level in this development framework, the OSB law hinders their active participation of the municipalities to the industrial growth decisions at the local level. In this sense, there is a contradiction between the existing legal framework which regulates economic growth in localities.

Another essential result that was drawn from the case study findings was the active role that the municipalities have in the generation of land – rent in localities, not only through land- use decisions but also through their active involvement in entrepreneurial activities as exemplified in the MOGG case. It was seen that the municipalities' distributive role regarding land- rent was subordinated by the motive for the generation of maximum land-rent as the municipalities act as one of the stakeholders. This was clearly exemplified in the sale of the municipality's share in the Sümerbank factory's land to the MOGG firm before the sale of the whole

factory land to a retailer firm. As the public land is an essential means for the municipalities to perform their distributive roles for the benefit of the local community, counter- strategies and policies should be developed concerning the existing use of public land. While this requires the development of a comprehensive national level spatial policy, the conditions of the transfer of public land from the central to the local state, which was introduced by the latest municipal law, should be strictly defined in a way to prevent the use of public land for private gains.

REFERENCES

- Adıgüzel, Ş. (2009). Türkiye’de belediyecilik anlayışının dönüşümünü küreselleşme üzerinden okumak. In İ. Kamalak & H. Gül (Eds.), *Yerel yönetimlerde sosyal demokrasi, toplumsal belediyecilik*. İstanbul: Kalkedon Yayıncılık.
- Amin, A., Thrift, N. (1995a). Globalisation, institutional thickness and the local economy. In P. Healey, S. Cameron, S. Davoudi, S. Graham & A. Madanipour (Eds.), *Managing cities: The new urban context* (pp. 92-108). London: John Wiley and Sons.
- Amin, A., Thrift, N. (1995b). Institutional issues for the European regions: from markets and plans to socioeconomics and powers of association. *Economy and Society*, 24 (1), 41-66.
- Amin, A., Robins, K. (1990). Industrial districts and regional development: limits and possibilities. In F. Pyke, G. Becattini & W. Sengerberger (Eds.), *Industrial districts and interfirm cooperation in Italy* (pp. 185-219). Genova: ILO.
- Asheim, B. T. (1996). Industrial regions as ‘learning regions’: A condition for prosperity. *European Planning Studies*, 4 (4), 379-397.
- Austin, J., McCaffrey, A. (2002). Business leadership coalitions and public-private partnerships in American cities: A business perspective on regime theory. *Journal of Urban Affairs*, 24(1), 35-54.
- Bachrach, P., Baratz, M. S. (1962). Two faces of power. *The American Political Science Review*, 56 (4), 947-952.
- Balaban, O. (2008). *Capital accumulation, the state and the production of built environment: The case of Turkey* (Unpublished PhD thesis). Middle East Technical University, Ankara, Turkey.
- Bassett, K. (1996). Partnerships, business elites and urban politics: New forms of governance in an English city. *Urban Studies*, 33 (3), 539-555.
- Bayırbağ, M. K. (2007). *Local entrepreneurialism, state re-scaling and scalar strategies of representation: The case of the city of Gaziantep, Turkey* (Unpublished PhD thesis). Carleton University, Ottawa, Canada.
- Begg, I. (1999). Cities and competitiveness. *Urban Studies*, 36, 795-809.
- Blaikie, N. (1993). *Approaches to social enquiry*. Cambridge & Oxford: Polity Press.

Boddy, M., Parkinson, M. (2004). Chapter 1: Introduction. In M. Boddy & M. Parkinson (Eds.), *City matters: Competitiveness, cohesion and urban governance* (pp.1-12). Bristol: The Policy Press.

Coe, N.M., Kelly, P.F.& Yeung, H.W.C. (2008). *Economic geography*. Oxford & Malden & Carlton: Blackwell Publishing.

Cooke, P. (2004). Chapter 9: Competitiveness as cohesion: Social capital and the knowledge economy. In M. Parkinson & M. Boddy (Eds.), *City matters: Competitiveness, cohesion and urban governance* (pp. 153-170). Bristol: The Policy Press.

Cooke, P., Morgan, K. (1998a). *Economies of Association*. Oxford: Blackwell.

Cooke, P., Morgan, K. (1998b). *The associational economy: Firms, regions and innovation*. Oxford: Oxford University Press.

Cox, K. R. (2009). *The politics of local economic development* (Online paper). Retrieved from <http://www.geography.osu.edu/faculty/kcox/PLRD.INT.ENCYCL.pdf>

Cox, K. R. (1999). *Spatial imaginaries and reconceptualizing human geography* (Online paper). Retrieved from <http://geog-www.sbs.ohio-state.edu/faculty/kcox/cox7.pdf>

Cox, K. R. (1997). Space of dependence, spaces of engagement and the politics of scale, or: Looking for local politics. *Political Geography*, 17 (1), 1-23.

Cox, K. R., Mair, A. (1989). Urban growth machines and the politics of local development. *International Journal of Urban and Regional Research*, 13 (1), 137-146.

Cox, K. R., Mair, A. (1988). Locality and community in the politics of local economic development. *Annals of the Association of American Geographers*, 78 (2), 302-325.

Crenson, M. A. (1971). *The Un-politics of air pollution: A study of non-decision making in the cities*. Baltimore and London: The John Hopkins Press.

Dahl, R. A. (1986). Rethinking who governs? New Haven revisited. In R. J. Wasté (Ed.). *Community power directions for further research* (pp. 179-198). Newbury Park, CA: Sage Publications.

Dahl, R. A. (1957). The concept of power. *Behavioral Science*, 2 (3), 201-215.

Davies, J. S., Imbroscio, D. L. (2009). Introduction: Urban politics in the twenty-first century. In J. S. Davies and D. L. Imbroscio (Eds.), *Theories of urban politics-second edition* (pp. 1-14). Los Angeles, London, New Delhi, Singapore, Washington DC: Sage Publications.

Dicken, P., Forsgren, M. & Malmberg, A. (1994). The local embeddedness of transnational corporations. In A. Amin, N. Thrift (Eds.), *Globalization, institutions, and regional development in Europe* (pp. 23-45). Oxford and New York: Oxford University Press.

Duncan, S., Goodwin, M. (1988). *The local state and uneven development*. Cambridge and Oxford: Polity Press.

Eraydın, A. (2002). *Yeni sanayi odakları: Yerel kalkınmanın yeniden kavramsallaştırılması*. Ankara: ODTÜ Mimarlık Fakültesi Yayınları.

Erder, S., İncioğlu, N. (2008). *Türkiye’de yerel politikanın yükselişi: İstanbul Büyükşehir Belediyesi örneği*. İstanbul: Bilgi Üniversitesi Yayınları.

Ersoy, A. (2010). *Geçmişten günümüze Türkiye’de ekonomik kalkınma ve 5 yıllık kalkınma planları* (Online paper) Retrieved from <http://www.cesran.org>.

Eyüboğlu, D. (2009). *2000’li yıllarda organize sanayi bölgelerimiz* (Online paper) Retrieved from <http://www.mpm.org.tr/OSB.pdf>.

Friedland, R. (1982). *Power and crisis in the city*. London & Basingstoke: The Macmillan Press Ltd.

Gendron R. (2006). Forging collective capacity for urban redevelopment: “Power to”, “power over,” or both?. *City & Community*, 5 (1), 5-22.

Gough, J. (2002). Workers' strategies to secure jobs, their uses of scale and competing economic moralities: Rethinking the ‘geography of justice’. *IBG Economic Geography Research Group Working Paper*.

Harding, A. (2009). The history of community power. In J. S. Davies, D. L. Imbroscio (Eds.), *Theories of urban politics-second edition* (pp. 27-39). Los Angeles, London, New Delhi, Singapore, Washington DC: Sage Publications.

Harding, A. (1995). Elite theory and growth machines. In D. Judge, G. Stoker & H. Wolman (Eds.), *Theories of Urban Politics* (pp. 35-53). London, Thousand Oaks, New Delhi: Sage Publications.

- Harding, A., Wilks-Heeg, S. & Hutchins, M. (2000). Business, government and the business of urban governance. *Urban Studies*, 37 (5–6): 975–994.
- Harloe, M. (2001). Social justice and the city: The new “liberal formulation”. *International Journal of Urban and Regional Research*, 25 (4), 889-897.
- Harvey, D. (2005). *A brief history of neoliberalism*. Oxford & New York: Oxford University Press
- Harvey, D. (2003). *The new imperialism*. Oxford & New York: The Oxford University Press.
- Harvey, D. (1989). From managerialism to entrepreneurialism: The transformation in urban governance in late capitalism. *Geografiska Annaler*, 71 (1): 3-17.
- Harvey, D. (1985). *The urbanisation of capital*. Oxford: Blackwell.
- Harvey, D. (1982). *The limits to capital*. Oxford: Blackwell.
- Hunter, F. (1953). *Community power structure: A study of decision-makers*. Chapel Hill: University of North Carolina Press.
- Judge, D. (1995). Pluralism. In D. Judge, G. Stoker & H. Wolman (Eds.), *Theories of Urban Politics*. (pp. 13-34). London, Thousand Oaks, New Delhi: Sage Publications.
- Karaçay-Çakmak, H., Erden, L. (2005). Yeni sanayi odakları ve sanayinin yeni mekan arayışları: Denizli ve Gaziantep örneği. *C.Ü. İktisadi ve İdari Bilimler Dergisi*, 6 (1), 111-129.
- Karaköse, E. (2004). *Manisa’da sanayileşme ve sosyo-ekonomik gelişme*. Manisa: Şafak Basım Yayın San. Tic. Ltd. Şti.
- Keleş, R. (2006). *Yerinden yönetim ve siyaset*. İstanbul: Cem Yayınevi.
- Kesselman, M. (1974). Research perspectives in comparative local politics: Pitfalls, prospects and notes on the French case. In T. N. Clark (Ed.), *Comparative community politics*. New York, London, Sydney, Toronto: Sage Publications.
- Kresl, P. (1995). The determinants of urban competitiveness. In P. Kresl & G. Gappert (Eds.), *North American cities and the global economy: Challenges and opportunities* (pp. 45-68). London: Sage Publications.

Leibovitz, J., Salmon S. (1999). 20/20 vision? Interurban competition, crisis and the politics of downtown development in Cincinnati, Ohio. *Space & Polity*, 3 (2), 233-255.

Logan, J. R., Molotch, H. L. (1987). *Urban fortunes: The political economy of place*. Berkeley, Los Angeles & London: University of California Press.

Lovering, J. (1999). Theory led by policy: The inadequacies of 'the new regionalism'. *International Journal of Urban and Regional Research*, 23, 379-395.

Lukes, Steven (1974). *Power: A radical view*. London: Macmillan.

MacLeod, G., Goodwin, M. (1999). Space, scale and state strategy: Rethinking urban and regional governance. *Progress in Human Geography*, 23 (4), 503-527.

Manisa Valiliği (2001) *2000 İl Yıllığı*.

Manisa Valiliği (1996) *1995 İl Yıllığı*.

Manisa Valiliği (1967) *1966 İl Yıllığı*.

Martin, R.L. (2000). Local labour markets: Their nature, performance and regulation. In G.L. Clark, M. P. Feldman & M.S. Gertler (Eds.). *The Oxford handbook of economic geography* (pp. 455-476). New York: Oxford University Press.

Massey, D. (1984). *Spatial divisions of labour: Social structures and the geography of production*. London: Macmillan.

Molotch, H. L. (1976). The city as a growth machine: Toward a political economy of place. *American Journal of Sociology*, 82 (2): 309-332.

Morriss, P. (2006). Steven Lukes on the concept of power. *Political Studies Review*, 4, 124-135.

Mossberger, K. (2009). Urban regime analysis. In J. S. Davies & D. L. Imbroscio (Eds.), *Theories of urban politics-second edition* (pp. 40-54). Los Angeles, London, New Delhi, Singapore, Washington DC: Sage Publications.

Mossberger, K. and Stoker, G. (2001). The evolution of urban regime theory: The challenge of conceptualization. *Urban Affairs Review*, 36 (6), 810-835.

Murray, S. (1996). Competition and competitiveness in urban policy. *Public Money and Management*, 16 (3), 21-26.

Ökçün, G. (1986) 1885 öncesi Osmanlı ekonomisine genel bir bakış: 1885-1985. Paper presented at the symposium of Türkiye Ekonomisinin 100. Yılı ve İzmir Ticaret Odası, İzmir.

Peterson, P. E. (1981). *City limits*. Chicago and London: The University of Chicago Press.

Pickvance, C. (1998). Locality, local social structure and growth politics: A comment on Cox's 'locality and community: Some conceptual issues. *European Planning Studies*, 16 (1), 43-47.

Pickvance, C. (1995). Marxist theories of urban politics. In D. Judge, G. Stoker & H. Wolman (Eds.), *Theories of urban politics* (pp. 253-275). London, Thousand Oaks, New Delhi: Sage Publications.

Polsby N. W. (1980). *Community power and political theory*. New Haven and London: Yale University Press.

Saunders, P. (1984). *Urban politics: A sociological interpretation*. London: Hutchinson Publishing Group.

Savage, M., Warde, A. & Ward, K. (2003). *Urban sociology, capitalism and modernity*. Houndmills, Basingstoke, Hampshire and New York: Palgrave Macmillan.

Scott, A. J. (2006). *Geography and economy*. Oxford: Oxford University Press.

Scott, A. J. (2000). Economic geography: The great half-century. In G.L. Clark, M. P. Feldman & M.S. Gertler (Eds.), *The Oxford handbook of economic geography* (pp. 18-44). New York: Oxford University Press.

State Planning Organisation. (2003). *İllerin ve bölgelerin sosyo-ekonomik gelişmişlik sıralaması araştırması*. Ankara: DPT Yayınları.

State Planning Organisation. (1963). *The national development plan (1. five years)*. Ankara: DPT Yayınları.

Stoker, G. (1995). Regime theory and urban politics. In D. Judge, G. Stoker & H. Wolman (Eds.), *Theories of Urban Politics* (pp. 54-71). London, Thousand Oaks, New Delhi: Sage Publications.

Stoker, G. (1988). *The politics of local government*. Houndsmills, Basingstoke, Hampshire & London: Macmillan Education Ltd.

Stone, C. (2006). Power, reform and urban regime analysis. *City & Community*, 5 (1), 23-38.

Stone, C. N. (2005). Looking back to look forward: Reflections on urban regime analysis. *Urban Affairs Review*, 40 (3), 309-341.

Stone, C. N. (1989). *Regime politics: Governing Atlanta, 1946-1988*. Lawrence: University Press of Kansas.

Stone, C. N. (1987a). The study of the politics of urban development. In C. N. Stone & H. T. Sanders (Eds.), *The politics of urban development* (pp. 3-24). University Press of Kansas.

Stone, C. N. (1987b). Summing up: Urban regimes, development policy and political arrangements. In C. N. Stone & H. T. Sanders (Eds.), *The politics of urban development* (pp. 269-290). Kansas: University Press of Kansas.

Stone, C. N. (1980). Systemic power in community decision making: A restatement of stratification theory. *The American Political Science Review*, 74 (4), 978-990.

Stone, C. N., Sanders, H. T. (1987). Reexamining a classical case of development politics: New Haven, Connecticut. In C. N. Stone & H. T. Sanders (Eds.), *The politics of urban development* (pp. 159-181). University Press of Kansas.

Swyngedouw, E., Moulaert, F. & Rodriguez, A. (2002). Neoliberal urbanization in Europe: Large- scale urban development projects and the new urban policy. *Antipode*, 34 (3), 542-577.

Şengül, T. (2003). Yerel devlet sorunu ve yerel devletin dönüşümünde yeni eğilimler. *Praksis*, 9, 183-220.

Tekeli, İ. (1992). *Belediyecilik yazıları (1976-1991)*. İstanbul: IULA-EMME.

TEPAV Sanayi Politikaları Grubu (2006). *Organize Sanayi Bölgeleri ve Kamusal Yetkiler: Faydalar ve Sorunlar Nelerdir?* (Online Paper) Retrieved From http://www.tepav.org.tr/tur/admin/dosyabul/upload/Organize_Sanayi_Bolgeleri_ve_Kamusal_Yetkiler.pdf.

Turkish Statistical Institute. (1990). *Social and Economic Indicators for the Provinces of İzmir and Manisa*. Ankara: DİE Yayınları.

Turkish Statistical Institute. (2000). *Social and Economic Indicators for the Provinces of İzmir and Manisa*. Ankara: DİE Yayınları.

van Tulder, R., Ruigrok, W. (1997). The nature of institutional change: Managing rival dependencies. In A. Amin & J. Hausner (Eds.), *Beyond Market and Hierarchy*. Cheltenham: Edward Elgar.

Wong, Cecilia (1998). Determining factors for local economic development: The perception of practitioners in the North West and Eastern regions of the UK. *Regional Studies*, 32 (8), 707-720.

INTERNET REFERENCES

www.en.wikipedia.org

www.manisa.gov.tr

www.manisahabergazetesi.com.tr

www.msob.org.tr

www.oib.gov.tr

www.osbuk.org.tr

www.sendika.org

www.tesk.org.tr

www.tuik.gov.tr

www.vestelinvestorrelations.com

www.yerelnet.org.tr

APPENDIX 1: The Frequency Distribution of The News Search Prior to The Field Trip According to The Actors Involved and The Issues Mentioned

INSTITUTIONS/ INDIVIDUAL ACTORS	Frequency	ISSUES MENTIONED
Central State Institutions		
Ministry of Tourism	1	Museum project on Sumerbank Textile factory land
Privatization Administration	1	Privatization of the Sumerbank Textile Factory in Manisa
Administration for Enhancing and Supporting SMEs (KOSGEB)	2	Need for closer relations between the administration and the Manisa's industrialists
		Opening of a new branch in Manisa & the end of İzmir's supremacy over Manisa
Manisa Governorship	1	Contract with OSB firms for vocational high schools
Medicine Faculty of Manisa Celal Bayar University	1	Demand of support by the University from VESTEL for hospital construction
Local State Institutions		
Manisa Municipality/ Mayor/ Municipal Council	2	Approval of Urban Renewal Project
		Plan to built a shopping mall on Sümerbank factory land
Business Associations		
Chamber of Commerce and Industry of Manisa (MTSO)	7	New credit deals with banks for support of SMEs
		Controversy with MOSBSD about the election in supreme organisation of the OSBs
		Dispute over MOSB's management with OSB's industrialists
		Vocational high school planned to be built
Association of Industrialists of Manisa OSB (MOSBSD)	4	Industrialists' demands to manage Manisa OSB
		Reactions to the new OSB law
		Controversy with MTSO about the election for supreme organisation of OSBs
Manisa Organised Industrial Estate (MOSB)	5	MOSB's expansion
		Infrastructural opportunities provided in OSB/ OSB is far ahead the city
Association of Young Businessmen of Manisa (MAGİAD)	1	Providing secretarial classes via EU funds
Chamber of Agriculture of Manisa (MZO)	2	Demonstration Call to Farmers
		Demand for change in the current situation of agricultural industry
Construction Cooperative for Muradiye Middle-sized Industrial District	4	Total reliance on own resources
		Construction of Muradiye Middle-sized Industrial District
		Efforts for the unification of Muradiye industrial district with the MOSB
		The reproachful wish for getting state support
Union of Chambers of Tradesmen and Artisans (MESOB)	1	New credit deals with banks for small entrepreneurs
Manisa Common Enterprise Group (MOGG)	2	The sale of purchased land by MOGG at an extreme price and in a tricky way
Political Associations		
Communist Party of Turkey (TKP)	1	Bad working conditions in VESTEL
Labor Party (İP)	1	Petition among OSB workers for the rise of minimum wage
Workers' Associations		
Trade Union of Turkish Metal Workers (TMS)	1	Negotiations with employers for work contracts & aim to expand trade union organisation in Manisa OSB
Association of Workers of Manisa	1	Petition campaign against labor subcontracting
Others		
VESTEL	2	Bad working conditions in VESTEL
Some Firms in OSB	2	Vocational high school planned
TOTAL	58	

APPENDIX 2: Top Ten Provinces According to GDP Generated and Their Shares (%) within The Whole GDP (1990-2001)

1990		1991		1992		1993	
İstanbul	20,8	İstanbul	21,3	İstanbul	20,8	İstanbul	20,6
Ankara	7,9	Ankara	8,0	Ankara	8,3	Ankara	8,7
İzmir	7,5	İzmir	7,3	İzmir	7,4	İzmir	7,3
Kocaeli	4,3	Kocaeli	4,5	Kocaeli	4,7	Kocaeli	4,7
Bursa	4,1	Bursa	4,0	Bursa	4,1	Bursa	4,3
Adana	3,5	Adana	3,4	Adana	3,5	Adana	3,4
İçel	2,8	İçel	2,7	İçel	2,7	İçel	3,0
Konya	2,5	Konya	2,5	Manisa	2,4	Antalya	2,4
Manisa	2,4	Manisa	2,3	Konya	2,4	Konya	2,3
Antalya	2,2	Antalya	2,2	Antalya	2,3	Manisa	2,3

1994		1995		1996		1997	
İstanbul	20,0	İstanbul	21,1	İstanbul	21,3	İstanbul	22,8
Ankara	8,4	Ankara	8,4	Ankara	7,9	İzmir	7,1
İzmir	7,6	İzmir	7,4	İzmir	7,4	Ankara	6,8
Kocaeli	4,9	Kocaeli	5,0	Kocaeli	4,5	Kocaeli	4,8
Bursa	4,0	Bursa	4,1	Bursa	3,8	Bursa	3,5
Adana	3,5	Adana	3,6	Adana	3,5	Adana	3,2
İçel	2,9	İçel	2,8	İçel	2,7	İçel	2,8
Antalya	2,5	Antalya	2,5	Antalya	2,6	Antalya	2,7
Konya	2,3	Konya	2,3	Konya	2,3	Konya	2,4
Manisa	2,2	Manisa	2,1	Manisa	2,3	Manisa	2,2

1998		1999		2000		2001	
İstanbul	21,7	İstanbul	21,8	İstanbul	22,1	İstanbul	21,3
Ankara	7,3	Ankara	7,9	Ankara	8,3	Ankara	7,6
İzmir	6,8	İzmir	7,0	İzmir	7,3	İzmir	7,5
Kocaeli	4,5	Kocaeli	4,2	Kocaeli	4,5	Kocaeli	5,1
Bursa	3,7	Bursa	3,7	Bursa	3,7	Bursa	3,6
Adana	3,1	Adana	3,1	Adana	3,1	Adana	3,0
İçel	2,7	İçel	2,8	İçel	2,7	İçel	2,8
Antalya	2,7	Antalya	2,6	Antalya	2,5	Antalya	2,6
Konya	2,5	Konya	2,5	Konya	2,5	Konya	2,4
Manisa	2,3	Manisa	2,1	Manisa	2,1	Manisa	2,1

Source: Turkish Statistical Institute (2009), www.tuik.gov.tr

APPENDIX 3: Values for Manisa, Aegean Region and Turkey at Some Selected Socio-Economic Variables (2000)

Unit	Variable	Manisa	Aegean Region	Turkey
	Demographic Indicators			
%	Urbanization Rate	56,72	61,48	64,90
‰	Annual Population Growth Rate (1990-2000)	8,76	16,29	18,29
Person/ km ²	Population Density	96	100	88
Person	Fertility Rate	2,14	2,17	2,53
Person	Average Household Size	3,85	3,81	4,5
	Employment Indicators			
%	Share of Agricultural Employment in Total Employment	61,54	50,48	48,38
%	Share of Industrial Employment in Total Employment	11,90	13,84	13,35
%	Share of Commercial Employment in Total Employment	7,06	10,10	9,67
%	Share of Financial Employment in Total Employment	1,7	2,64	3,11
%	Share of Paid Employees in Total Employment	35,91	43,26	43,52
%	Share of Employers in Total Employment	1,56	2,62	2,61
	Education Indicators			
%	Literacy Rate	86,27	89,78	87,30
%	Share of University Graduates in 22+ year old Population	4,95	8,42	8,42
	Health Indicators			
‰	Rate of Infant Mortality	41	40,13	43

Source: SPO (2003)

APPENDIX 3 (Continued): Values for Manisa, Aegean Region and Turkey at Some Selected Socio-Economic Variables (2000)

Unit	Variable	Manisa	Aegean Region	Turkey
	Industrial Indicators			
Number	OSB Parcel Number	274	3439	28726
Number	KSS Workshop Number	2661	13941	81302
Number	Manufacturing Industry Workshop Number	194	1969	11118
Number	Annual Average Number of Manufacturing Industry Employees	22552	187282	1130488
HP	Existing Power Capacity of Manufacturing Industry	188177	2014305	13478078
Kwh	Per capita Electricity Consumption in Manufacturing Industry	411	823	550
Million TL	Per capita Added Value in Manufacturing Industry	383	449	350
	Agricultural Indicators			
Million TL	Agricultural Production Value per capita in Rural Population	1581	1341	1124
	Financial Indicators			
Million TL	GDP per capita	2062	2130	1837
Million TL	Bank Savings per capita	337	708	939
Million TL	Agricultural Credit per capita in Rural Population	117	149	138
Million TL	Industrial, Commercial and Tourism Credits per capita	112	278	392
Million TL	Municipal expenditure per capita	50	78	82
Million TL	General Budget Revenues per capita	140	344	464
Million TL	Income and Company Tax Amount per capita	72	119	165

Source: SPO (2003)

APPENDIX 4: Selected News From ‘Manisa Hürriyet Newspaper’ (1972-1979)

1972

DAY	HEADLINE	NEWS DTEAILS
February, 22	MOSB is growing	<p>Firms which are active and under construction:</p> <ul style="list-style-type: none"> -The construction of the feed factory established by businessmen from Manisa is continuing. -A parcel was bought in the MOSB by a corporation whose partners include an old governor of Manisa for building a sandpaper factory. -A rolled iron factory is to be built by a joint company one of whose partner is the old head of public works directorate. -A textile factory whose construction is continuing. -Aan active biscuit factory. -A cotton wool factory established by a businessman from Manisa.
May, 30	MOSB is growing day by day	<p>In addition to the existing factories of 1. ECA Valve Factory and 2. Honey & Biscuit Factory, there are</p> <ol style="list-style-type: none"> 1. A Feed factory, 2. Pulcuoğlu Cotton factory, 3. TASAŞ packaging industry, 4. NASA construction industry, 5. GEY clothing factory. <p>Besides, second factory of ECA valve industry will began production in this year in the MOSB. Also, Anadolu Lift İndustry attempted to invest.</p>
October, 10	The construction of MKSS to begin in March	
December, 11	Money paid for the MOSB demanded back in Provincial Council meeting	<p>A member of the Provincial Council: “I have been a member of the provincial council for 18 years. During this period, we have never been short of money like in this year...I think we should be paid back by MOSB from. We lent this money with a condition of its pay back within one year. In the meeting we make with OSB administration , they are saying that they have no money and proposing to sort this problem out by going to Ankara. Here is my offer: The MOSB administration give you parcels from the MOSB in return for their loan to us, so that we can sell them and make money, or they simply pay the money back”.</p>

APPENDIX 4 (Continued): Selected News From ‘Manisa Hürriyet Newspaper’ (1972-1979)

1973

DAY	HEADLINE	NEWS DETAILS
April, 4	Industrialists from İzmir decided to invest in the MOSB	
April, 6	Attempt was made for establishing a rice factory in the MOSB	
June, 1	YEMSAN began test production	
June, 9	The mayor of İzmir is objecting to the opening of Meat Complex in Manisa by Meat and Fish Institution	
June, 11	Prime Minister was informed about the objection of İzmir’s mayor about the meat factory.	
June, 19	Pulcuoğlu Cotton factory is making a capital increase	
July, 20	Feed factory begins production soon	The firm owning the feed factory was established in 1970 by 117 partners from Manisa. Two state institutions (TARİŞ and The Directorate of Industry of Manisa Governorship) existed among these 117 shareholders.
August, 18	Works for MKSS is continuing	
October, 18	Construction of Meat Complex begins today	

APPENDIX 4 (Continued): Selected News From ‘Manisa Hürriyet Newspaper’ (1972-1979)

1974

DAY	HEADLINE	NEWS DETAILS
January, 1	Record holder in tax payment, businessman from Manisa, Ahmet Tütüncüoğlu, established a joint-stock company and begins selling company shares.	Tütüncüoğlu Holding which produces tractor trailers puts company shares to sale. Tütüncüoğlu declared that he wants to make his employees the shareholders of the company in the first place.
January, 11	Investments continue to be fulfilled.	The Ministry of Industry and Technology has given incentive certificate to two firms which will invest in the MOSB. Incentives include exemptions concerning customs and building construction taxes. These two firms are Pulcuoğlu Cotton Industry which will establish a cotton yarn factory and TASAŞ Packaging Industry.
March, 15	Number of factories increases in the MOSB	In the following months, the number of factories will rise in the MOSB which could not achieve the desired level of investments since its opening. Two factories are said to be constructed besides the Meat Complex. Zenginoğulları Family who are one of the native entrepreneurs of Manisa is planning a salt factory and Turhangil Family declared that they decided to build a flour factory in Manisa OSB.
April, 30	MOSB is introduced to investors	The Head of Manisa Branch of Aegean Region Chamber of Industry declared that they initiated the works for introducing the MOSB to the investors. On the offer of industrialists from Manisa, Aegean Region Chamber of Industry has assigned two experts to produce a research report about Manisa OSB which is thought to contribute to the attraction of new investments to the MOSB.

APPENDIX 4 (Continued): Selected News From ‘Manisa Hürriyet Newspaper’ (1972-1979)

1974

DAY	HEADLINE	NEWS DETAILS
May, 6	Pulcuoğlu Firm is laying the foundation for its new factory	Pulcuoğlu Firm, a family firm, which opened a cotton gin factory in the MOSB is enlarging its investments with a new clothing factory in the MOSB. The new firm is declared to target export markets with the produced underwear.
July, 3	Construction of MKSS begins	
July, 5	A concrete pipe factory is to be built in Manisa by the General Directorate of Bank of Provinces for meeting the demands of the Aegean Region	
July, 8	Site is chosen: Construction of concrete pipe factory will soon begin	
July, 20	Construction of Pulcuoğlu firm’s new factory begins soon	Pulcuoğlu firm established in July, 1972 grew in short time and decided to expand its investments.
July, 25	Pulcuoğlu’s new factory construction starts today	
August, 21	It is a must to prevent the shortage: 1000 cotton workers are brought to Manisa from the south	Related institutions have sought for ways to sort out the worker shortage for cotton production which is getting busier nowadays. In order not to experience problems in finding workers like it was the case for last year, Chamber of Agriculture made an agreement for bringing 1000 workers from Kahramanmaraş to Manisa.
September, 16	TEK-TARIM increases capital	
September, 23	Partial development plan for MKSS is approved	

APPENDIX 4 (Continued): Selected News From ‘Manisa Hürriyet Newspaper’ (1972-1979)

1975

DAY	HEADLINE	NEWS DETAILS
January, 1	Sümerbank textile factory made a record level profit last year	New machines will increase the efficiency in the textile factory which made a huge profit.
February, 3	Parcels have been allocated for 37 factories in the MOSB	
March, 14	Pulcuoğlu textile factory is to start operation by the end of May	
May, 13	Plastic factory whose construction is continuing is to start production by October	IPTAŞ plastic factory is owned by the İzmir Plastic & Sponge Firm.
May, 13	Ease in housing construction: Factory which will reduce prefabricated houses is to be established in the MOSB	The prefabricated housing factory is owned by BETONSAN joint-stock company. It is estimated that the factory will employ more than 900 personnel.
May, 29	The concrete pipe factory is to begin production soon.	
June, 3	The delegation went to Ankara for solutions to the problems of the MOSB	The head of executive board, Hasan Türek, and the MOSB’s manager, Metin Ersoy went to Ankara to meet central state authorities on the issues of telephone infrastructure, investment easiness for the entrepreneurs, mortgaging and changes in the development plan of the MOSB.
June, 4	8 factories are active in the MOSB	It is declared by the M TSO’s council chairmanship that 8 factories are currently active in the MOSB, 12 are under construction and 17 are in the planning phase. Currently active firms are: 1. ECA Valve Industry 2. Yemsan Feed Industry 3. Pulcuoğlu Cotton Industry 4. GEY Clothing Industry 5. Honey & Biscuit Factory 6. TASAŞ Turkish Packaging Industry 7. NASA Construction Industry 8. Zenginoğlu Salt Factory

APPENDIX 4 (Continued): Selected News From ‘Manisa Hürriyet Newspaper’ (1972-1979)

1975

DAY	HEADLINE	NEWS DTEAILS
June, 20	The Ministry gave the approval: MKSS Construction Cooperative having 600 partners is beginning construction by the end of the year	
July, 28	Number of factories in OSB is increasing: Construction will start for a leather clothing factory today	The MOSB, which has showed a quite slow pace of development since its establishment, proved itself to the investors and the public at last.
September, 29	Manisa OSB declared Keçiliköy as the fellow village	Head of the MOSB’s executive board Hasan Türek: “Due to its people’s tolerance about the growth of the MOSB, we declared Keçiliköy, which is underdevelop in terms of social, cultural and municipal services, as the fellow village to contribute its improvement and development. A committee is assigned to identify the requirements of the village which is the main settlement inhabiting the workers of the MOSB”.
December, 3	The first phase in the construction of Ege Meat Complex is about to finish	

APPENDIX 4 (Continued): Selected News From ‘Manisa Hürrişik Newspaper’ (1972-1979)

1976

DAY	HEADLINE	NEWS DTEAILS
January, 3	A new leap in the MOSB: A factory which will process corn and corncob will be built.	MOSB authorities said that Çukurova Chemistry and Feed Industry is to built a new factory in the MOSB. Çukurova Chemical Industry came to Manisa OSB through the common efforts of the head of executive board of OSB, Hasan Türek , the manager of OSB, Metin Ersan, and the Manisa municipality. The new factory is planned to start its operation in 1976.
January, 9	The export-oriented valve industry in the MOSB: ELMOR	ELMOR is a factory owned by Elginkan Holding and began its operation in the MOSB in 1970. The factory increased its production capacity in 1974 and also the number of employees from 30 to 120.
February, 9	A new leap in the MOSB: The start has been given for the construction of Ege Clothing Factory.	Authorities declared that at the beginning 240 people will employed in the factory and this number will rise to 580 with the completion of all planned units.
April, 27	MOSB is popular among the industrialists of İzmir.	In the recent years, the MOSB became popular among the investors from İzmir. It s declared that businessmen from İzmir has reserved 17 parcels from the MOSB in 1976.
May, 18	Pulcuoğlu factories welcomed the Manisa press: Export-oriented units are producing 10.000 underwears daily.	The clothing factory began its operation at the end of 1975 and today it employs 300 workers. It is declared to the press that 12% of the produced goods are marketed to with the name ‘SAFİR’.

APPENDIX 4 (Continued): Selected News From ‘Manisa Hürriyet Newspaper’ (1972-1979)

1976

DAY	HEADLINE	NEWS DETAILS
May, 21	The MKSS construction begins soon-The opening of the MKSS will also provide benefit for the MOSB	MKSS, whose lack is one of Manisa’s biggest problems, is said to be completed in the following years. Recently, small-sized industrial units are scattered through the city. Two years ago, in order to bring these separated units together, the area near the MOSB was expropriated by the Manisa Municipality and transferred to MKSS Construction Cooperative. The cooperative is said to continue paying back to the municipality.
May, 24	MOSTAŞ firm which was established by 124 Turkish workers who are currently employed in Germany is to open a furniture factory in the MOSB	The joint-stock firm of MOSTAŞ is said to apply to the Ministry of Industry and Technology for incentive certificate in the following days and to produce furniture for export markets.
July, 30	EGE Meat Complex is to begin operation in 1977	
August, 11	Manisa Clothing Factory is to begin production by September	
August, 21	The construction of a shoe factory established by businessmen from İzmir commenced yesterday	
September, 9	Clothing units of Sümerbank Textile Factory has opened	
September, 16	Workers of labor unions of mining and food industry went on boycott in their workplaces yesterday.	The boycott which left citizens of Manisa without bread was approached with hate.
October, 26	Telephone allocation was made to the MOSB	
November, 9	Demand to Manisa OSB is rising	Industrial parcels in the MOSB are defined as the cheapest infrastructured parcels in the environs.

APPENDIX 4 (Continued): Selected News From ‘Manisa Hürriyet Newspaper’ (1972-1979)

1977

DAY	HEADLINE	NEWS DETAILS
January, 3	Parcellation has begun in MKSS	
January, 11	MOSTAŞ factory begins production by May	
January, 24	New parcel prices in the MOSB have been declared	Authorities: "Manisa OSB still got the cheapest, fully infrastructured parcels in Turkey. 13 factories are currently active in the OSB and 17 factories will begin production soon".
April, 7	MOSTAŞ increased its capital	Firm has recently been turned into a publicly- hold company.
May, 12	A new furniture factory is to be built in the MOSB	The partnership established by 10 people from Manisa has made their first general meeting.
June, 17	UNTAŞ pasta factory begins production today	
June, 26	A cement and fertilizer factory is to be built in Manisa	The trip of delegation- formed by the mayor, Ertuğrul Dayıoğlu, Provincial Council member, Halil Yurtseven, and the head of the MOSB, Hasan Türek- to Ankara in order to find solutions to several problems of Manisa was quite successful. The mayor declared that an assurance was made by the President, Süleyman Demirel, about the construction of a cement and fertilizer factory in Manisa.
June, 28	TEK-TARIM will built a tractor installing industry in its factory in the MOSB	
July, 5	ÇELKAP will increase its capital- TEK-TARIM will be a partner of the firm	ÇELKAP was established by 30 workers, 20 of whom is living and working in Germany.
July, 14	Manisa Sümerbank Textile factory is renewing its machinery	The factory is producing continuously since 1960.
July, 15	The construction of water-soluble sulphur factory has begun. It is estimated to finish by this year.	The factory is established by the Institute of Agricultural Facilities. The factory is located between Turgutlu and Manisa.
July, 23	The construction of EGE Meat Complex is continuing; it is estimated to be finished next year.	The construction of the meat complex began in 1969 in the MOSB.

APPENDIX 4 (Continued): Selected News From ‘Manisa Hürrişik Newspaper’ (1972-1979)

1977

DAY	HEADLINE	NEWS DTEAILS
August, 3	The MOSB is pushed to death -Hasan Türek: "It is to our harm that sand and pebble of the area on which we plan worker houses are taken away".	It is declared that the sand and pebbles taken from Karaçay river at the north of the MOSB is to the harm of Manisa citizens and of the worker houses planned to be built in the area. Administrators of the MOSB applied to Manisa Governorship and demanded the urgent stop of sand and pebble take away from the river for the construction of İzmir airport. The head of the MOSB, Hasan Türek said: "It is said that without taking the opinion of the MOSB administration, the Chamber of Commerce and the Manisa municipality, the Manisa governorship generously give away the necessary material which can be useful for Manisa to other cities. The area where the sand and pebbles are taken away has recently closed to our use. Then, it is in a way torturing Manisa to allow İzmir to make use of the material which was prohibited to the people of Manisa. Manisa sees many harms of İzmir. Formerly, we was left without water. Now, our sand which is vital is taken away from us. Aren't there any padding material in and around İzmir that they are coming to Manisa? Since the construction firm will get sand from İzmir at higher prices, it tries to minimize the cost by getting the sand from Manisa. However, it cause us to harm".
August, 17	A new factory in Manisa; the construction of the factory which will produce sandpaper is to begin soon	The factory is said to employ totally 50 personnel.
September, 1	The temporary workers of Muradiye tomatoe puree factory began boycotting- Workers demand a rise in their daily payments	The CocaCola Export Corporation Food Industry's 128 workers who are employed temporarily began boycotting for their low daily payments. The workers most of which are women delivered the petition and began waiting for the answer from the general directorate of the firm.

APPENDIX 4 (Continued): Selected News From ‘Manisa Hürriyet Newspaper’ (1972-1979)

1977

October, 1	Infrastructure construction is beginning in the MKSS	Bank of Municipalities gave authorization to the Manisa Municipality
October, 24	The Manisa Municipality put the MOSB in distress – The Chamber of Commerce prosecuted the Ministry of Industry	The Manisa Municipality put the MOSB in distress in return of the MOSB’s debt to the municipality. The head of the MOSB, Hasan Türek declared: “We are disapproving this attitude of the mayor, Ertuğrul Dayıoğlu. Years ago, we together attempted to realize the OSB in order to create new business and employment opportunities in Manisa. The Manisa Municipality make a good authorization revenue only from the approval of the MOSB’s development plans. Besides, it is identified that the municipality will make a huge amount of annual revenue from taxes after the establishment of Meat Complex in the city. Therefore, the mayors of the time accepted to lend a certain amount of money to the MOSB and accepted the protocol declaring that we return the money to them after we complete the pay back of the credit to the Ministry of Industry and Technology. Despite the existence of this conditional protocol, the mayor put the MOSB in distress and made us pay the solicitor cost. Such a behaviour before the due time of our payment made us sad. In most of the places in Turkey, local governments put all their efforts to build up such an OSB”.
November, 1	MESAŞ has increased its capital –Acceptance of the shareholders has begun	MESAŞ firm got its incentive certificate in 1977 and is to built a purifying materials factory in Manisa OSB. The factory is said to employ 12 administrative and 17 technical personnel.
December, 29	Factories in the MOSB face the danger of closing down	Due to the shortage of currency, three factories of the plastic industry can not import raw materials and had to stop their production.

APPENDIX 4 (Continued): Selected News From ‘Manisa Hürrişik Newspaper’
(1972-1979)

1978

DAY	HEADLINE	NEWS DTEAILS
January, 10	100 telephone lines will be installed in the MOSB – The OSB will began to pay its share	The squatter settlements and MKSS will also make use of these telephone lines
March, 14	Sulphur factory is to begin production by June	
July, 28	Economic crisis hits factories-Big number of workers are dismissed due to the production decrease	
December, 11	The factory of Çukurova Chemistry Industry is spreading death to its environs	Production residual acid is threatening the vineyards and gardens around Safran Stream and Horozköy

1979

DAY	HEADLINE	NEWS DTEAILS
January, 22	Çukurova Chemistry Industry goes into action	Production residual materials will not be thrown to the environs
February, 3	Sultan Pasta Factory has opened yesterday	
March, 5	Factories ceased production- 3 firms gave up their investments in the MOSB	Prices of parcels have been increased by 100% in the MOSB.
March, 12	After plastic factories, the factories which are working with iron also stopped production	
July, 9	OSB can cease operation- Industrialists are having tough times	It was declared that it was a just a matter of time that all factories working with imported raw materials may totally stop production .
July, 13	MOSTAŞ furniture factory opens today	
August,2	The contract for the construction of the MKSS has been made- Construction is delayed to the end of the month	
December, 17	The construction of the MKSS begins after 10 years	

APPENDIX 5: News About The Struggle Between MTSO & MOSBSD Around Manisa OSB's Administration (2000-2008)

2000

DAY	HEADLINE	SOURCE	NEWS DETAILS
November, 27	MOSB industrialists gathered	Manisa Haber Newspaper	MOSBSD argued that \$ 5 million which actually belongs to the MOSB was unjustly transferred to MTSO and they decided to go on court. Besides, industrialists claimed that the MOSB's administration should be turned over to them due to the verdicts of the new OSB law.
November, 29	"Industrialists' claims carries no truth"	Manisa Haber Newspaper	MTSO harshly responded to MOSBSD accusing MTSO through a press declaration. Koşmaz said: "The MOSB was opened on 13 July 1966 under the leadership of MTSO and it has come today with the efforts of MTSO. Our industrialists do not have any contributions except for the payments they make for the services they get. Now, how can they claim that this money belongs to them?"

2001

DAY	HEADLINE	SOURCE	NEWS DETAILS
March, 10	MTSO holds a meeting in the MOSB	Manisa Haber Newspaper	MTSO's council held its first meeting as the 'entrepreneurial committee' after they made the necessary arrangements brought about by the new OSB law numbered 4562. Nejat Arusan was elected as the head for the committee by consensus. Koşmaz demanded authority from the committee related to some articles of the law in order to ensure executions to be made without any delay. The committee positively responded to this demand.

APPENDIX 5 (Continued): News About The Struggle Between MTSO & MOSBSD Around Manisa OSB's Administration (2000-2008)

2002

DAY	HEADLINE	SOURCE	NEWS DETAILS
May, 21	Counter-attack from Koşmaz	Manisa Haber Newspaper	Bülent Koşmaz made harsh criticism about the MOSBSD managers who made a criminal complaint about himself. He showed to the press the documents which show the illegal construction of NASA factory on an area of 2194 m ² . The factory belongs to Önder Limoncuoğlu who is the general manager of NASA firm and the member of the directory board of the MOSBSD.
May, 22	Industrialists are at defence	Manisa Haber Newspaper	Industrialists declared that they do not want dispute but compromise. After Bülent Koşmaz, the head of the Association of OSB Industrialists, Nihat Akyol, made a press meeting and defended their cause. He said that they are facing several accusations about the construction of new MTSO building, a science high school and the IV. part of the MOSB and added: "The issue is misunderstood. It is hardly possible that we oppose the provision of any services. What we oppose is the misuse of a money which should be used for the MOSB".
June, 5	Is it thawing between MTSO and MOSBSD?	Manisa Haber Newspaper	The managers of the MTSO and MOSBSD who have had a dispute for some time came together yesterday and peace and friendship messages are given. Akyol wanted compromise and Koşmaz did not refuse.

APPENDIX 5 (Continued): News About The Struggle Between MTSO & MOSBSD Around Manisa OSB's Administration (2000-2008)

2003

DAY	HEADLINE	SOURCE	NEWS DETAILS
October, 1	Employment for 70.000 people is targeted	Manisa Haber Newspaper	The MTSO administration held a meeting in which OSB was presented to AKP's managers and members. Deputies from AKP were also present in the meeting. Koşmaz said: "Our aim is to provide jobs for 70.000 people in the MOSB. Today, 17.250 people works in Manisa OSB. 14.500 of them reside in Manisa while 3000 is coming from İzmir".

2005

DAY	HEADLINE	SOURCE	NEWS DETAILS
April, 28	Industrialist chairman for the entrepreneurial committee	Manisa Haber Newspaper	New chairman was elected for MOSB's entrepreneurial committee which was formerly headed by Bülent Koşmaz. Kenan Yaralı, an entrepreneur in MOSB, became the chairman while Ahmet Taner Özkalkan from ECA Group was elected as the vice chairman. Bülent Koşmaz as the head of the MTSO automatically became the chairman for OSB's directory board. Necdet Özgürler, Ümit Türek and Ergun Tuğatay were elected to OSB's directory board from the MTSO council. İzzet Güverir from VESTEL Group and Dr. Sait Türek from YONCA Group also took place in the MOSB's directory board.
December, 07	Bülent Koşmaz: "We are standing by our industrialists"	Manisa Haber Newspaper	Koşmaz announced that discounted electricity tariff will be prevailed from 01 December 2005 and said "Our support to our industrialists will continue".

APPENDIX 5 (Continued): News About The Struggle Between MTSO & MOSBSD Around Manisa OSB's Administration (2000-2008)

2006

DAY	HEADLINE	SOURCE	NEWS DETAILS
July, 12	Chaos in the MOSB	Manisa Haber Newspaper	<p>Last night, Kenan Yaralı, chairman of the MOSB entrepreneurial committee called the committee members for an exceptional meeting. The reason for the meeting was the denunciation like complaint made by industrialist Cemal Türek. Türek demanded that chairman and vice chairman- Bülent Koşmaz and Necdet Özgürler - be removed from their positions since they were convicted of misuse of duty on 08 May 2002 according to the execution legislation for OSBs enacted on 15 April 2000 and since under this condition they do not fulfill the criteria for being OSB managers.</p> <p>Koşmaz, who was prepared for the meeting, defended himself and stated that the complaint issue is not binding for them. Nejat Arusan, member of entrepreneurial committee, said that the committee was not clear about what to decide since the documents in hand wer not enough for a verdict. Koşmaz said: "...What did I do? The electrical infrastructure and electric stations were made under my chairmanship. Whom did we demand money from? From the state? From the industrialists? I did this, first of all, for the sake of God and then to pay my debt back to the place that I was born in. Anyway, if anyone among you stand up and say that he can do the job better than me, then I leave. This is not a fight between the MOSB industrialists and MTSO. This is a fight between those who are full and who are hungry and in this fight we are advocating those who are hungry".</p> <p>After the speeches, a voting was made for the removal of B. Koşmaz and N. Özgürler. 48 votes were against the removal while 4 votes, belonging to N. Arusan, İ. Şendil, İ. Kurtoğlu ve E. Öztaş, were impartial.</p>

APPENDIX 5 (Continued): News About The Struggle Between MTSO & MOSBSD Around Manisa OSB's Administration (2000-2008)

2006

DAY	HEADLINE	SOURCE	NEWS DETAILS
July, 13	Kenan Yaralı resigned from his chairman position in the MOSB's entrepreneurial committee	Manisa Haber Newspaper	Yaralı declared that he was resigned from his position as chairman in the MOSB's entrepreneurial committee by a press meeting held in his office in the MOSB. Yaralı stated that these meaningless rivalry will benefit noone and added that the MOSB is at the moment managed by an outdated and dictatorial understanding. He stated that decisions are taken by a single person without giving any chance of declaration for opposing ideas.
July, 13	Support to Koşmaz from TMS Manisa Branch	Manisa Haber Newspaper	TMS Manisa Branch declared that they agree with and support Koşmaz on his statement that the fight about the MOSB is the fight between those who are full ad who are hungry. Head of Manisa Branch, Mehmet Ali Özaltın, stated that they appreciate Bülent Koşmaz's efforts for enhancing the MOSB and employment volume since 1994 when he became the head of the MOSB's directory board. He said: "There are some so-called big industrialists who are annoyed from the growth of the MOSB and the increase of employment opportunities. They are employing workers without job safety and labor unions and with a slavery mentality. These 'big' employers and their supplier industries are agents who are gaining rent and profit by employing workers, who do not have any capital- like slaves. These employers should know that fear is no use for death. As workers and unemployed, we are besides Koşmaz- a man who is fond of Manisa-who departed in the name of God for Manisa".

APPENDIX 5 (Continued): News About The Struggle Between MTSO & MOSBSD Around Manisa OSB's Administration (2000-2008)

2006

DAY	HEADLINE	SOURCE	NEWS DETAILS
July, 15	Head of MHP Manisa Branch, Mesut Bayram Laçalar: "Money is holy for some people"	Manisa Haber Newspaper	<p>Head of MHP Manisa Branch, Mesut Bayram Laçalar said that the recent debate on MOSB's administration is a fight for rent and stated: "The 190 million TL and the Technopark project planned in the new 4. and 5. parts are making some people's mouth watery. 170 firms are waiting in line for the 4. and 5. parts of the the MOSB. This is with no doubt is the success of managers from Manisa. The closeness of Koşmaz to myself is attributed to the party. We have a very old friendship. He has no intentions to actively involve in politics through neither MHP or any other political party. He put an end to his political life since 1980".</p> <p>Koşmaz saying that not involving in politics is a legacy from his father stated: "I have put a definite end to my active political life after the 1980 incidences. As for my closeness to MHP..Before 1980 I involved in politics under MHP and was the head of Grey Wolves. What I was advocatin is still valid for me. However, since its my father's legacy, I do not think to involve in politics".</p>
July, 31	The entrepreneur committee elected its new chairman	Manisa Haber Newspaper	Ahmet Taner Özkalkan became the new chairman of MOSB's entrepreneurial committee after the resignation of Kenan Yaralı. İdris Şendil and İzzet Güvenir who were resigned from their positions in MOSBAR firm of the MOSB. Positions left from them were filled by Ahmet Taner Özkalkan and Zeki Ayaydın. Ataman Paydaş was elected for the directory board membership of MOSBAR in place of Kenan Yaralı.

APPENDIX 5 (Continued): News About The Struggle Between MTSO & MOSBSD Around Manisa OSB's Administration (2000-2008)

2006

DAY	HEADLINE	SOURCE	NEWS DETAILS
August, 3		Manisa Haber Newspaper	The head the Association for the Enhancement of Muradiye OÖSB, İsmail Kurtoğlu responded to Koşmaz's words about the fire incident in Muradiye OÖSB: "In this plant, the MOSB's wastes were disposed. We agree with Koşmaz's some words but we need to ask some questions to him. Why did not he reserve a site for waste disposal in the MOSB where he built facilities for electricity, natural gas and water distribution and refinement? It also threatens us that the disposal area is within our industrial district. Our members, all of whom are registered to the MTSO, want to hear that efforts are been made for changing the existing laws that block the development of proper and coordinated relations between the MOSB and Muradiye OÖSB".
December, 20	Big competition in the MOSBSD	Manisa Haber Newspaper	Tonight, new directory board of OSB will be elected in the entrepreneurial committee meeting. The directory board of the MOSB is composed of 6 members. MTSO's head Bülent Koşmaz is the natural member while 3 members is elected from the entrepreneurial committee and 2 members are determined by the MOSBSD. In this respect, yesterday, there was a big competition for the election of 2 members who will represent the Association. VESTEL Group's nominee Özer Göksoy took 55 votes; the nominee of İnci Group Süreyya Perçin took 30 votes and the nominee of Teleset Group Murat Çam 30 votes.

APPENDIX 5 (Continued): News About The Struggle Between MTSO & MOSBSD Around Manisa OSB's Administration (2000-2008)

2007

DAY	HEADLINE	SOURCE	NEWS DETAILS
April, 5	Head of TMS Manisa Branch, Mehmet Ali Özaltın: "MOSB will be a heaven for labor sub-contracting firms"	Manisa Haber Newspaper	There have been several responses to the declaration of MOSBSD's managers about the court decision giving them the right to make general assembly for OSB's administration. Mehmet Ali Özaltın stated that: "I am anxiously monitoring this organisation which is composed of people who want to employ workers with a slavery mentality. These people aim to block big firms which want to invest in the MOSB. The reason behind this is obviously the fear of not being able to employ sub-contracted workers".
April, 12		Manisa Haber Newspaper	Koşmaz stated that they will go to court for the appeal of the decision favoring the MOSB industrialists. He said that they will pursue their legal rights to the very end and that they will not offer OSB's administration in a golden tray.
April, 21		Manisa Haber Newspaper	The head of executive committee of Common Platform of OSBs of Turkey and head of directory board of İzmir Atatürk OSB, Hilmi Uğurtaş stated that Bülent Koşmaz should give up the administration of Manisa OSB and added that Koşmaz is struggling in an anti-democratic way about the enactment of new OSB law. Uğurtaş said that Koşmaz delivered positive opinion about the new law without consulting to any of the other OSBs in Turkey. He added: "Entrepreneurial committee can not grasp the problems of the industrialists and can not provide solutions. We do not want to leave the administration of OSBs to people who are not industrialists.". He added that they wanted the supreme organization of OSBs to be one that can defend the rights of industrialists vis-à-vis the government and the public opinion. He stated that they will nominate their own name in the next elections of OSBÜK which is recently headed by Bülent Koşmaz.

APPENDIX 5 (Continued): News About The Struggle Between MTSO & MOSBSD Around Manisa OSB's Administration (2000-2008)

2007

DAY	HEADLINE	SOURCE	NEWS DETAILS
April, 26		Manisa Haber Newspaper	MTSO's council meeting was held yesterday evening. Koşmaz evaluated the meeting that was organised in Manisa by the executive board of OSB platform and said: "Industrialists headed by Mr. Türek are seeking the support of İzmir for opposing to the MTSO. I observed that people from İzmir was exceeding those from Manisa. It is the usual behaviour of İzmir people to interfere in the affairs of Manisa. They also declared that they will nominate a name in the OSBÜK elections. I was thinking to quit actively taking part in OSBÜK but I want to declare that after these incidences I will definitely come up for the election".
June, 2	Support to Koşmaz from MHP	Manisa Haber Newspaper	MHP Manisa Branch declared in a press meeting that they will give all kinds of support to Bülent Koşmaz who was relected as OSBÜK's head with the 102 votes that he took.

APPENDIX 5 (Continued): News About The Struggle Between MTSO & MOSBSD Around Manisa OSB's Administration (2000-2008)

2007

DAY	HEADLINE	SOURCE	NEWS DETAILS
August, 16	Full-page press declaration of the MTSO:	Manisa Haber Newspaper	Some industrialists in the MOSB applied to the Ministry of Industry and Trade for permission of general assembly for the transfer of the MOSB's management from MTSO to the MOSB industrialists on the grounds of the local court's decision whose appeal is still continuing. The Ministry refused this application with regard to the continuing appeal and informed the industrialists about that with their breve dated 03.08.2007. Contary to this, industrialists go on to prepare for the general assembly. Recently, this fight has been the one between the existing administration which took the charge by elections, whose only aim is to enhance the MOSB and increase the employment volume, which is composed of people of Manisa for years and those who do not want OSB to grow and aim increasing the individual profits of their firms. In order to stop these people who are creating a restlessness in the MOSB which belongs to the people of Manisa, we call Manisa deputies, the Mayor, local branches of political parties, business and professional associations, NGOs and all industrialists on duty and social responsibility about this demand.

APPENDIX 5 (Continued): News About The Struggle Between MTSO & MOSBSD Around Manisa OSB's Administration (2000-2008)

2007

DAY	HEADLINE	SOURCE	NEWS DETAILS
August, 17	Who is right?	Manisa Haber Newspaper	While the MOSB industrialists headed by Sait Cemal TüreK are stating that they will surely make the general assembly for the MOSB's administration in August, the existing administration declares that it is not possible to make the general assembly. Sait Cemal TüreK said: "I, as an industrialist, a representative of industrialists, condemn the MTSO's newspaper declaration. We can see that they have not yet grasp the reality and that they are trying to mislead the public opinion. I think that this is a declaration which is written in order to manipulate the public by using MTSO as a tool...It is said that the MOSB belongs to Manisa. There can be no other declaration which as naive and unaware as this is. How can my titled property belong to others? The expressions in the declaration clearly belongs to those who fear of losing their chairs and the rent in thir hands. This is also a disrespect against justice and the government. We are not doing something that is illegal or secret. We are giving a legal struggle of 7 years which continues since 2000. It is industries which create employment. It is the industrialists who will enhance and carry the MOSB to world standarts".
August, 23	Industrialists made their general assembly	Manisa Haber Newspaper	MOSBSD made the general assembly regarding the MOSB's administration yesterday. 72 of the total 159 industrialists participated to the assembly meeting. The directory board was formed by Sait TüreK, İsmail Kurtogđlu, Kenan Yaralı, Özer Ekmekçiler and Süreyya Perçin.

APPENDIX 5 (Continued): News About The Struggle Between MTSO & MOSBSD Around Manisa OSB's Administration (2000-2008)

2007

DAY	HEADLINE	SOURCE	NEWS DETAILS
August, 28	Results of the general assembly are posted	Manisa Haber Newspaper	The decisions taken in the general assembly meeting of industrialists headed by Sait Cemal Türek were posted on the boards existing in front of the factory buildings of Kurtoğlu Plastic and Yonca Food Industry.
August, 30	Resignment shock in the MOSB's entrepreneurial committee	Manisa Haber Newspaper	The meeting of the entrepreneurial committee, which is decided to be abolished in the general assembly of the industrialists, was held on 22 August 2007 in the MOSB. In the meeting, the general assembly made by the industrialists was evaluated and İsmail Kurtoğlu and Kenan Yaralı, who take place in the new directory board of the MOSB, made their application for resigning from their memberships in the entrepreneurial committee. Sezgin Sümer, the head of MTSO's council, said that regarding the OSB law numbered 4562, their entrepreneurial committee membership is based on their memberships in MTSO's council. It is said, therefore, that they had to resign from MTSO council as well.
September, 22	Debates rekindled in the MOSB	Manisa Haber Newspaper	Debates about the MOSB's administration were rekindled in the annual council meeting of MTSO. İsmail Kurtoğlu and Kenan Yaralı responded to the harsh criticism of Bülent Koşmaz.

APPENDIX 5 (Continued): News About The Struggle Between MTSO & MOSBSD Around Manisa OSB's Administration (2000-2008)

2008

DAY	HEADLINE	SOURCE	NEWS DETAILS
June, 09	Who will be in charge of the million dollars in the MOSB?	http://www.realist.gen.tr/haber/45169/milyar-dolarlik-osbleri-kim-yonetecek-.htm	The 8-years legal fight for the MOSB's administration between the MOSB industrialists and MTSO was resolved in favor of the industrialists. The head of MOSBSD, Sait Türek commented on the issue: "For 8 years since the new OSB law was enacted, our association and the industrialists are demanding their rights to manage themselves. We patiently waited for this autonomy struggle to end till today. The court process which started in December 2004 is entirely concluded on 29 May 2008 with the refusal of all appeals by the supreme court. Now we are waiting for the related administrative agencies to execute the finalized court decision and to transfer of the MOSB's management to its real masters. In the visit that we made to the Minister of Industry and Trade, Mr. Zafer Çağlayan on 23 November 2007, he declared that he is indifferent to both sides. The minister stated that he will give the authority certificate as soon as the legal decision is finalized and that it is the natural right of industrialists to manage their own industrial estate. Today, all legal requirements are fulfilled. We trust and expect Mr. Minister to do what is required...Since 1981, the MOSB clearly have the general assembly conditions defined in OSB law numbered 4562 and the court decision approved it. At the end, we won this legal struggle. We thank to all those who contributed to our struggle".

APPENDIX 5 (Continued): News About The Struggle Between MTSO & MOSBSD Around Manisa OSB's Administration (2000-2008)

2008

DAY	HEADLINE	SOURCE	NEWS DETAILS
July, 12	Manisa OSB is industrialists'	Manisa Hür Işık Newspaper	<p>The first general meeting of the MOSB was made with the participation of 90 industrialists, the Mayor-Bülent Kar-, the directory board members of MTSO, the head of Manisa directorship of the Ministry of Industry and Trade- İrfan Akarsu- and the representatives from Anadolu, Çerkezköy, Gebze, İzmir Atatürk, Bilecik Demirtaş, Bursa and Sakarya OSBs.</p> <p>The representatives of MTSO applied for the cancellation of the general assembly. After the council of the general assembly refused this application, the MTSO members left the meeting hall. In the meeting, it was accepted with consensus that the entrepreneurial committee of the MOSB was abolished.</p> <p>Sait Türek, Ömer Yüngül, İsmail Kurtoğlu, Mustafa Zaim, Kenan Yaralı were elected as the main members of the directory board. Hakkı Bayraktar and İhsan Övünç became the main members for the supervisory board Sait Cemal Türek, İhsan Övünç, İsmail Kurtoğlu and Kenan Yaralı were elected as the representatives for OSBÜK.</p> <p>Türek made a speech: "The essential thing is to put effort for the provision of better services by decreasing the costs of our industrialists in a manner of solidarity and cooperation".</p> <p>The Mayor, Bülent Kar, who attended the meeting as a guest said: "The problems existing between the new OSB administration and MTSO will not benefit neither both sides nor Manisa. We should think on the issues of the expected population rise by the opening of the 4. and 5. parts of the MOSB and the associated problems like housing, traffic and infrastructure".</p>

APPENDIX 5 (Continued): News About The Struggle Between MTSO & MOSBSD Around Manisa OSB's Administration (2000-2008)

2008

DAY	HEADLINE	SOURCE	NEWS DETAILS
July, 16	Bülent Koşmaz left his position in the MOSB	Zaman Newspaper	After the transfer of the MOSB's administration from the MTSO to the MOSB industrialists, Bülent Koşmaz said: "MTSO is dismissed from the Manisa OSB which was established 45 years ago by the own resources of MTSO. There is a struggle going on in front of the public for 6-7 years. This struggle is not a struggle for chair or position as some people think. This is a fight for the protection of MTSO's rights over the MOSB which was established by MTSO 45 years ago. In other words, the MOSB should not have been lost by Manisa people and MTSO. All our friends in MTSO worked voluntarily without any material expectation. However, in time, a legal struggle emerged and we lost it and came to this recent point. A very serious alliance was formed against us. Who took part in this alliance? Why did such a alliance was formed? There were very few people who supported MTSO like businessmen Halil Yurtseven, Ersan Atılğan and Güngör Çalışır. I want to thank them".
August, 19	New Head of the MOSB, Sait Türek: "The old administration damaged the MOSB by 10 million TL"	Manisa Hürşık Newspaper	The new administrative board of the MOSB declared in a press meeting that OSB was damaged by 10 million TL by the old administration. The head Sait Türek stated that the new administration is tried to be weakened by using the recent rise in electricity prices. He said that 5 industrialists who forms the directory board taking the decision have 60% of the total electricity consumption with their factories and their supplier industries. He added: "he power plant is causing a deficit due to the neglect of the old administartion to take the necessary precautions. The plant has revenue of 11 million TL while we have to pay 13 million TL to the national distributor".

APPENDIX 6: The Institutional Membership Status of The Interviewees

	Membership in a political party?	Name of the political party	Institutions Involved-1	Position in 1. Institution	Institutions Involved-2	Position in 2. Institution	Institutions Involved-3	Position in 3. Institution	Former Position-1	Former Position-2	Former Position-3	Former Position-4
BUSINESSMEN/ MANAGERS												
Native small tradesman (H. Kırılı)	No data	No data	Chamber of Craftsmen of Metallic Works	Head	MKSS Management Cooperative	Directory Board member	MESOB	Member				
Native small - tradesman (A. Igan)	No data	No data	MTSO	Council Member								
Native craftsman (H. Elmalı)	No data	No data	Chamber of Carpenters and Wooden Works	Head	MKSS Management Cooperative	Directory Board member	MESOB	Member				
Native small-sized industrialist (M. Özkösemen)	No data	No data	MKSS Management Cooperative	Directory Board member	Muradiye OÖSB Construction Cooperative	Head						
Native medium-sized industrialist (A. Arslan)	YES	AKP	MTSO	Head of Council	AKP Manisa Branch	Head	MOÖSB Development Association	Head				
Native medium-sized industrialist (İ. Şendil)	YES	No data	MAGİAD	Head	MTSO	Council Member			Municipal Council Member			
Native medium-sized industrialist (H. Bayraktar)	YES	CHP	MOSB	Member of Supervisory Board	Chamber of Mechanical Engineers Manisa Branch	Head	Union of Academic Chambers of Manisa	Member				
Outsider medium-sized industrialist (Ü. Yorgancıoğlu)	No data	No data	Muradiye Industrial District Development Association	Head								
Native businessman in construction sector (Ö. Yerkazanoğlu)	No data	No data	MASİAD	Head	MTSO	Council Member						
Native businessman in construction sector (A. Efendioğlu)	YES	DP	Chamber of Architects Manisa Branch	Head	Union of Academic Chambers of Manisa	Member						
Native businessman in construction sector (C. Mercül)	YES	AKP	Manisa Municipality	Council Member	Chamber of Architects Manisa Branch	Member			Municipal Council Member			
Native businessman in commercial sector (N.Arusan)	YES	AKP							Municipal Council Member	MTSO Council Member	MOSB Entrepreneurial Committee Member	Provincial Council Member
Native manager (N. Akyol)	No data	No data	MOSBSD	Coordinator	MOSB	Supervisor						
Outsider manager (F. Karaboran)	No data	No data	Manisa OSB	Head Manager								

APPENDIX 7: Opinions of The Interviewees About The Required Institutional Leadership In Manisa

	Leading Institution 1	Leading Institution 2	Leading Institution 3	Leading Institution 4
Representative of MKSS 1 (H.Kırlı)	The Municipality	MTSO	TOBB	
Representative of MKSS 2 (H.Elmalı)	MTSO	The Governorship/Central State	The Municipality	
Representative of MKSS 3 (M. Özköşemen)	MTSO			
Representative of MSİD (A. Arslan)	The Municipality	Big Firms		
Representative of MASİAD (Ö. Yerkazanoglu)	The Governorship/Central State			
Representative of MAGİAD (İ. Şendil)	MTSO	The Municipality	MTB	
Representative of The Governorship 1 (E. Akar)	The Governorship/Central State	The Municipality	Professional Organizations & NGOs	
Representative of The Governorship 2 (E. Karaköse)	The Governorship/Central State	The Municipality	A new unit of coordination and planning like R&D	
Representative of The Manisa Branch of CHP (C. Kaplan)	The Municipality	MTSO	Professional Organizations & NGOs	
Representative of MOSBSD (N. Akyol)	OSB administration	The Governorship/Central State	The Municipality	The University
Representative of Agriculture Sector 1 (H. Çoban)	The Governorship/Central State	The Municipality	Professional Organizations & NGOs	
Representative of Agriculture Sector 2 (H. Şener)	The Governorship/Central State	The Municipality	Professional Organizations & NGOs	
A Native Industrialist (H. Bayraktar)	The Governorship/Central State	The Municipality	Professional Organizations & NGOs	
An Outsider Industrialist (Ü. Yorgancıoğlu)	The Municipality	Professional Organizations & NGOs	The Governorship/Central State	
Former Mayor (1989-1994) (Z. Ünal)	The Municipality			
Former Mayor (2004-2009) (B. Kar)	The Municipality	MTSO		
Current Municipal Council Member (C. Mercul)	The Municipality	MTSO	The Governorship/Central State	
Labor union representative in BOSCH	The Municipality	The Governorship/Central State	MTSO	OSB administration

APPENDIX 8: News About The Privatization of Sümerbank Textile Factory & The MOGG (2005-2009)

2005

DAY	HEADLINE	SOURCE	NEWS DETAILS
July, 2	Sümerbank textile factory is not down the agenda	Haber Newspaper	Weekly gathering of the provincial council met yesterday under the leadership of chairman, Hayrullah Solmaz. The mostly discussed issue was the purchase of the land of Sümerbank textile factory by the Common Enterprise Group of Manisa. Provincial council member from AKP, Vasfi Demir, stated that businessmen-whose selection to the group was suspicious - who bought the land for 3.7 trillion TL should inform the public about the process. He added that the sale of the land to a retailer at a price much more than its purchase price is not privatization but unfair trade.
July, 14	Old shareholders rised up	Haber Newspaper	Old shareholders are stating that they will not allow their rights to be abused. An old shareholder, Taner Yönder, said that it was unfair to do business without asking the shareholders. He added that on July, 16, they will bring together all shareholders and said: "Sümerbank belongs to Manisa; it can not be given to 53 businessmen. It is time to rise up for shareholders who are investing money for years and gained their rights to make claims over the Sümerbank firm and factory".
July, 15	Legal signatures were signed for Sümerbank Textile Factory	Haber Newspaper	What was expected happened in Sümerbank firm which was taken within the scope of privatization programme in 1998. % 99.99 of firm's shares was transfered to MOGG by a contract signed between Privatization Administration and MOGG. In the gathering, Manisa Governor Orhan Işın; the chairman of MOGG, Bülent Kar; vice chairman of MOGG, Hakkı Bayraktar; AKP deputies of Manisa, Hüseyin Tanrıverdi and Hüseyin Akdede and vice mayor Kemal Sevinç were present.

APPENDIX 8 (Continued): News About The Privatization of Sümerbank Textile Factory & The MOGG (2005-2009)

2005

DAY	HEADLINE	SOURCE	NEWS DETAILS
August, 3	Disputes about Sümerbank Textile firm do not end	Haber Newspaper	<p>Yesterday, 22 meetings concerning Sümerbank Textile Factory were held in Manisa. One of them was organised by Manisa branch of True Path Party (TPP) in order to support the old shareholders of the Sumerbank firm. The head of TPP's Manisa branch, İsmail Şahin said: "How did the shares of 5000 Manisa people, which covered 8.5% of all shares in 1950s, decrease to %1? In 2004, AKP administrators made a capital rise for the firm and the shares and therefore the land rights of founder shareholders drastically decreased. Why is the plan change, made before the purchase? What is the difference between entrepreneurs in the MOGG who purchased this factory with devotion today and the altruistic people who became founder shareholders of the firm in the past? For us, there is no difference. Both of these groups of people try to serve to Manisa in order to enhance our city. However, who makes these two groups come up against each other is the irresponsible and lawless attitudes of the AKP government and their representatives at the local level".</p> <p>In the second meeting Bülent Kar told: "MOGG bought 99.9% of the firm's shares. 0.1% still belongs to old shareholders. We did not purchase their shares. They will also benefit from the value rise on the land. We did not make anyone worse off...Besides, the speculations made about the development plan of this land are wrong. The development plan about the land has been prepared by the Privatization Administration, not by Manisa Municipality...".</p>

APPENDIX 8 (Continued): News About The Privatization of Sümerbank Textile Factory & The MOGG (2005-2009)

2005

DAY	HEADLINE	SOURCE	NEWS DETAILS
November, 14	Shares of Sümerbank Textile factory are at the blackmarket	Haber Newspaper	After the arguments about the unfair purchase of land by MOGG were declared in public, people started to speak about some shareholdes who put their shares to sale at double price of their current values.
December, 12	Head of MHP's Manisa branch, Mesut Bayram Laçalar: "Favor to favor in Sümerbank Textile factory"	Haber Newspaper	Laçalar said: "47 people have been done a favor in the privatization of Sümerbank Textile factory. 2% of the shares which were bought for 150 billion are now for sale at triple prices. MOGG members are trying to find ways to get Manisa Municipality to make the plan changes that they desire".
December, 20	Is Sümerbank Textile factory land becoming an housing area?	Haber Newspaper	Sümerbank Textile factory land is said to become an housing area although the land was decided as a commercial area according the tender bidding agreement.
December, 21	Kar gave a relief	Haber Newspaper	Mayor Bülent Kar said: "The development plan for Sümerbank Textile factory's land was made by the Privatization Administration and the land was decided as a commercial area with special conditions. Therefore, it is impossible to make this area an housing area".

APPENDIX 8 (Continued): News About The Privatization of Sümerbank Textile Factory & The MOGG (2005-2009)

2006

DAY	HEADLINE	SOURCE	NEWS DETAILS
January, 20	Everything is put into words	Haber Newspaper	MOGG members declared that they are not pleasant with the current management of the MOGG. Bülent Kar said that necessary communication was not built between Manisa public and the MOGG. He continued: "We are making a very good, but we failed in telling this to Manisa people". Some of the members criticized MTSO's decision of building a public school in Manisa with its profit shares from the sale of Sümerbank factory land to KİPA. The MOGG members stated that this decision has put themselves on the spot.
January, 21	"My aim is not to make money from Sumerbank Textile factory"	Haber Newspaper	MOGG member, Hüseyin Hakkı Bayraktar elaborated on the arguments concerning his dismissal from CHP unless he resign from MOGG. He said: "No such demand came from CHP; if it did I would consider. Besides, my aim is not to make money in this issue but to serve to Manisa".
February, 5	The road for KİPA is opened	Haber Newspaper	Members of the municipal council from Motherland Party (MP) and True Path Party (TPP) argued that they should be informed about the sale of Sümerbank factory land and blamed mayor Bülent Kar. In reply, Bülent Kar said: "Even I did not guess that things were going to reach that point, so, I did not think about carrying these issues on the agenda of municipal council. 42 people who have investments in Manisa came together. For the first time, a corporate work was achieved in Manisa. What is important here is to ensure that these people can maintain their enthusiasms. However, I think that they unfortunately lost their enthusiasms. Afterwards, the plan change concerning Sümerbank Textile factory land was accepted by unanimity. By this change, a road connecting İzmir-Bursa motorway to Akhisar as well as the land which was sold to KİPA have been opened to development.

APPENDIX 8 (Continued): News About The Privatization of Sümerbank Textile Factory & The MOGG (2005-2009)

2006

DAY	HEADLINE	SOURCE	NEWS DETAILS
February, 6	Head of Nationalist Movement Party (MHP)'s Manisa branch, Mesut Bayram Laçalar: "I wish everyone would have been as honorable as MTSO"	Haber Newspaper	Mesut Bayram Laçalar, made a public declaration after MTSO which declared that they will built a public school in Manisa with its profit shares from the sale of Sümerbank Textile factory land to KIPA. He said: "I wish everyone would have been as honorable as MTSO. I both congratulate the head, B. Koşmaz, and the MTSO. I hope this will be a role model for other chambers and associations".
May, 6	The approval for Sümerbank has been stopped	Haber Newspaper	The court decided the approval of the decision for the cease of Sümerbank textile Factory's sale. An old shareholders of Sümerbank, Taner Yönder made the claim.
June, 14	Brain of MOGG resigned	Haber Newspaper	Hakkı Bayraktar resigned from his membership in the MOGG . He said: "I will make my formal application in order to resign from the partnership and to sell my ashares. I think I could not be useful anymore because my principles. I have some truths and principles. I could not do a thing which go against my principles even everyone applause it".
September, 8	The second MOGG incident	Haber Newspaper	The head of MHP's Manisa branch, Mesut Bayram Laçalar said that Bülent Kar tried to passivate the Association of Tourism and Publicizing Manisa and Mesir in yesterday's municipal council meeting. Laçalar told that by attempting to incorporate the association, Bülent Kar tries to provide profit for his proponents and that this could be evaluated as the second MOGG incidence. He added that MHP is with the association in their struggle against this unfairness.

APPENDIX 8 (Continued): News About The Privatization of Sümerbank Textile Factory & The MOGG (2005-2009)

2007

DAY	HEADLINE	SOURCE	NEWS DETAILS
April, 26		Haber Newspaper	Hasan Ören, Republican People's Party (CHP)'s Manisa deputy, made a written press declaration and stated that Sümerbank Textile Factory will be taken back by the Privatization Administration by the decision of Review Committee of Prime Ministry. He said that he applied to the Review Committee of Prime Ministry in order for an investigation to be commenced and that the committee accepted his application. Thus, the legal process for taking the firm's shares back will begin soon.
May, 1		Haber Newspaper	It is learned that 9 ha. of Sümerbank Textile Factory land, which was sold by Privatization Administration to MOGG for 3.7 million \$, was sold to a Australian firm by MOGG at a price of 47.5 million TL. Hasan Ören declared: "After this sale no one can rescue Manisa MOGG. They bought the whole land of 13 ha. for a price of 3.7 million \$. After that, they sold the junk machinery for 1.5 million TL which means they got this amount back. Now, they sold 9 ha. of the land for 47.5 million TL to Australians".
May, 2		Haber Newspaper	Local politicians reacted to the sale of Manisa Sümerbank Textile Factory land to REDEVCO-A Dutch firm- for 46 million TL. The head of MHP's Manisa branch, Mesut Bayram Laçalar said: "It is a big stigma for Manisa".
May, 8	Municipal council is incorporated to crime	Haber Newspaper	Hasan Ören said: "It came to light that MOGG, who sold Sümerbank factory land in a tricky way to a Dutch estate firm, bought the share of municipality in the land for a very low price from the municipality. By the removal of the statute of "it is allocated to public use" on this land, the municipal council has been incorporated to crime. MOGG who bought the m ² of land from the municipality for 50 TL sold it for 460 TL to the Dutch firm. Both the buyer and the seller is Bülent Kar".

APPENDIX 8 (Continued): News About The Privatization of Sümerbank Textile Factory & The MOGG (2005-2009)

2007

DAY	HEADLINE	SOURCE	NEWS DETAILS
May, 9		Haber Newspaper	Mayor Bülent Kar said: “For 2 years the issue of Sümerbank Textile firm is discussed. Two things should be separated here. This incidence does not have a political dimension, but have a commercial dimension. It does not have a political dimension rather than I’m being the chairman of MOGG’s directory board. Besides, I think that except for the shareholders, no one has the right to call MOGG’s activities into account. In the previous months, just because we could not give the title deed to KIPA, our agreement was cancelled. Recently, the sale of the 9 ha. of the factory land was realized. On the land, a big shopping center will be built. We hope that by the end of 2008, the shopping center will be in use. On the 1.2 ha. of the remaining land of totally 3.8 ha., a museum will be built while we also plan a Aquapark. We plan it to be a place where people can relax”.
May, 18	Last tango in Sümerbank Textile Factory	Haber Newspaper	High Commission of Privatization cancelled the privatization of the 99.9% public share of Manisa Textile factory belonging to Sümer Holding company.
May, 19	General assembly meeting is on court	Haber Newspaper	Governor Refik A. Öztürk declared that they went to local court for the delay of general assembly of MOGG after it was decided that the privatization of Sümerbank textile factory be stopped by the signatures of Prime Minister and 5 ministers. He said: “The Privatization Administration wanted our governorship to take the necessary precautions in order to ensure the implementation of the decisions taken by the same institution on 10.05.2007. Therefore, we went to local court for the delay of MOGG’s general assembly meeting in which a decision could be taken that can open the way for the distribution of the gained profit among MOGG members and it is against this recent decision”.

APPENDIX 8 (Continued): News About The Privatization of Sümerbank Textile Factory & The MOGG (2005-2009)

2007

DAY	HEADLINE	SOURCE	NEWS DETAILS
May, 21		Haber Newspaper	Bülent Kar as a reply to Governor's declaration said: "Our Governor is not informed about some details. The legal process about Sümerbank continues. MOGG will make its general assembly meeting; there is no reason for its delay. If Privatization Administration goes to court, then trial process begins; nothing can be done about the title deed with the order of Prime Ministry. Because this is a commercial activity. Everything has been done within the legal framework. We did not buy this land for free. If there is any improper thing going on, then Privatization Administration All of us will follow the court decisions".
May, 21	Head of Association of Ataturkist Thought (AAT) Nalan Güner: "Mayor Kar should immediately resign"	Haber Newspaper	Güner commented on Sümerbank textile factory's privatization: "The sale of public enterprises which are precious assets of the Turkish Republic almost for nothing, their sale to ideological proponenets and to foreigners created a deep sorrow and worry in the public. Favoritism and corruption in the privatization of Sümerbank textile factory caused inconvenience in the public conscious. Bülent Kar tries to distribute the profit gained from the sale of factory land to a foreign firm contrary. We don't believe in the MOGG's argument of 'Let Manisa's assets stay in Manisa' since Bülent Kar offered a public asset in this way and he should immedately resign. Those who have taken part in MOGG should resign as well'.
May, 23	Mayor Kar resigned	Haber Newspaper	Bülent Kar declared that he resigned from MOGG as well as from his chairman position in the MOGG. Kar said: "With the latest developments, things ceased to be commercial and became political. Some groups who aims to gain political rent from this incidence and used it to stain the name of our Municipality, myself and the businessmen in MOGG. Because of these developments, my enthusiasm for providing a living and employment area for Manisa-although I have no shares in MOGG - is about to cease.

APPENDIX 8 (Continued): News About The Privatization of Sümerbank Textile Factory & The MOGG (2005-2009)

2007

DAY	HEADLINE	SOURCE	NEWS DETAILS
June, 19	No progress made in Sümerbank firm's general assembly meeting	Haber Newspaper	No progress was made in the general assembly of Sümerbank firm in which the new directory board of MOGG was elected. MOGG managers were faced with the reaction of old shareholders. Lawyer Emin Us said that nothing has changed after the meeting and that they gave a law lesson to MOGG's managers together with Ali Suat Ertosun. He continued: "Things in Sümerbank process is not proper. They can not slip out of this by paying 8.5% to the old shareholders, because there is a legal process going on. It is not true to bargain during this process. Besides, the amount offered to old shareholders is absurd. The amount that the shareholder with the maximum share will get is 4000 TL and this equals to the salary of the mayor, Bülent Kar, which he gets for being the chairman of the directory board of MOGG".
September, 28	New development in Sümerbank incidence	Haber Newspaper	The trial which was initiated for the cancellation of the process of Sumerbank factory's privatization was refused by the 13. court of the state council. However, this refusal was not approved by the General Committee of the Courts of State Council.
December, 4	The decision for precautionary measures in Sümerbank is still implemented	Hürüştürk Newspaper	The court concluded for the continuation of the decision about taking precautionary measure on the title deed of the Sümerbank factory. Following court's declaration, REDEVCO, which was planning an investment of € 180 million on the factory land, implied that they can give up the investment. The chairman of the MOGG, Erdiñ Yumrukaya, stated that a big investment will be missed and that the state will lose again.

APPENDIX 8 (Continued): News About The Privatization of Sümerbank Textile Factory & The MOGG (2005-2009)

2008

DAY	HEADLINE	SOURCE	NEWS DETAILS
March, 01	REDEVCO Managers are in Manisa	Hürüçük Newspaper	<p>Managers of REDEVCO-the Dutch firm which bought Sümerbank Textile Factory's 90 da. part for 25 million Euro-came to Manisa to inform local notables about their investment-having an estimated value of 200 million Euro- to Manisa. A meeting was organised with the participation of 47 businessmen and politicians from the MOGG.</p> <p>Chairman of MOGG, Erdiñ Yumrukaya said: "Today, we introduced REDEVCO managers and MOGG members to each other. REDEVCO managers told us about their projects and they showed how important is their investments for Manisa. We also informed the press about REDEVCO's declaration that ongoing trials will not block the project. After they completed their projects, they will get their construction permits from Manisa Municipality and will start execution within 2 months. We are only sad about the thing that existing opportunities that are for the good of Manisa have not been realized until today for three years. What makes us sad is the fact that Sümerbank project, which will bring more added value than the Sümerbank factory through the purchase of construction materials from the tradesmen of Manisa and the creation of labor demand in project's execution, was tried to be blocked by some groups". Hüseyin Akdede and Arif Koşar, two businessmen in MOGG said: "We sold this land in order to enable the construction of shopping center so that young people of Manisa could be employed and that Manisa people could be saved from going to İzmir for shopping".</p>

APPENDIX 8 (Continued): News About The Privatization of Sümerbank Textile Factory & The MOGG (2005-2009)

2009

DAY	HEADLINE	SOURCE	NEWS DETAILS
June, 06	“We will be true to our word and we will call the responsables to account”	Hürriyet Newspaper	The head of MHP’s Manisa Branch, Mesut Bayram Laçalar said: “Before the local elections, Sümerbank issue was much debated. I am one of the leaders of the local branches of political parties who stated on this issue. Although the new Manisa mayor is elected from our party, we will continue to speak the same things. Nothing has changed. We remember our previous words and will investigate the issues on which we commented before...Besides, we are promising to govern Manisa with a transparent and accountable municipal mentality”.

CURRICULUM VITAE

PERSONAL INFORMATION

Surname, Name: Tunç, Gülçin
Nationality: Turkish (TC)
Date and Place of Birth: 29 April 1977, İzmir
Marital Status: Single
Phone: +90 312 210 62 39
email: gulcintunc@gmail.com

EDUCATION

Degree	Institution	Year of Graduation
MS	METU Urban Policy Planning and Local Governments	2003
BS	METU City and Regional Planning	2000
High School	Eskişehir Science High School	1995

WORK EXPERIENCE

Year	Place	Enrollment
2004- Present	METU Institute of Social Sciences	Research Assistant
2002-2003	UCTEA Chamber of City Planners	Assistant of General Secretary
2000-2002	METU Institute of Social Sciences	Research Assistant

FOREIGN LANGUAGES

Advanced English

PUBLICATIONS

1. Tunç, G. (2008). Bir kamu siyasası olarak su temin ve dağıtımı: Ankara örneği”, *Mülkiye Dergisi*, 261, 187-212.
2. Tunç, G., Kavuncu, A. (2006). Ankara ve Diyarbakır kentlerinin demografik özellikleri. In In M. Ersoy, H.T. Şengül, G. Tunç & A.C. Yoloğlu (Eds.) *Sağlıksızlığın Kentleşmesi: Ankara ve Diyarbakır Kentlerinde Sağlık Sorunları Üzerine Bir Araştırma*. Ankara: ODTÜ Kentsel Politika Planlaması ve Yerel Yönetimler Anabilim Dalı Yayınları no.10.

3. Tunç, G. (2002). Bölüm 6: Diyarbakır'ın sosyo-mekansal (yeniden) yapılanması. In M. Ersoy & H.T. Şengül (Eds.), *Zorunlu Göç ve Yoksulluk: Diyarbakır Örneği*. Ankara: ODTÜ Kentsel Politika Planlaması ve Yerel Yönetimler Anabilim Dalı Yayınları no.6.

4. Tunç, G. (2002). Bölüm 7: Kent yoksullarının dayanışma örüntüleri ve politik tavırları. In M. Ersoy & H.T. Şengül (Eds.), *Kente Göç ve Yoksulluk: Diyarbakır Örneği*. Ankara: ODTÜ Kentsel Politika Planlaması ve Yerel Yönetimler Anabilim Dalı Yayınları.

HOBBIES

Photography, Gourmet, Squash.

TURKISH SUMMARY

Bu tez, günümüz ekonomik ve siyasi bağlamında, yerel ekonomik büyüme siyasetinin doğasının ne olduğu yönündeki genel bir sorudan yola çıkmıştır. Bu çerçevede temel hedef, yerel büyüme siyasetinin çelişkili ve bölünmüş doğasının gösterilmesi olarak ortaya konmuştur. Bu hedef doğrultusunda, yerel büyüme siyaseti ile ilgili çeşitli kavramsallaştırmaları içeren mevcut yazında hakim olan görüşe, yani yerel aktörlerin zorunlu/ gerekli olarak yerel koalisyonlar kurma eğiliminde oldukları görüşüne, itiraz edilmiş ve alternatif bir kavramsallaştırmanın gerekliliği iddiası ile bu yönde, eleştirel bir değerlendirme yapılmıştır.

Mevcut yazın tarafından, yerel aktörleri yerel koalisyonlara götüren gerekliliklerin iki boyutta anlam taşıdığı düşünülmektedir. Bunlardan birincisi küresel hareketliliği giderek artan sermayeyi, kısıtlı devlet kaynaklarını, nitelikli işgücünü vs. çekme çabasının yarattığı yerel yarışmacılık koşullarının yerel koalisyonların üretiminde etken olmasıdır. Birincisi ile ilişkili bir biçimde, bu gerekliliğin ikinci anlamı ise bir siyasa aracı olarak sunulan yerel işbirliklerinin, yerelliklerin rekabet üstünlüklerinin ve dolayısıyla ekonomik performanslarının arttırılması için önemli bir siyasa aracı olarak öne sürülmesinde yatmaktadır.

Bu hakim görüşlerin aksine, bu tezde, öncelikle, yerel rekabetçiliğin yerelin içsel çelişkilerini çözemeyeceği öne sürülmüştür. Başka bir deyişle, yerel ekonomik büyüme siyasetini kavramsallaştıran kuramsal çerçevelerin, sermayenin küresel hareketliliği karşısında yerellikleri, dışarıdan gelen etkilere tepki veren, durağan sabitlikler olarak ele almasına bir eleştiri yöneltilmektedir. Bu anlamda, günümüz ekonomik ve siyasi bağlamını yerellikler arası rekabetçilik üzerinden tanımlamak hem kısıtlayıcı hem de yanıltıcı olmaktadır. Bunun yerine, bu tezde, sermaye aktörlerinin yerel ekonomilerin gelecekleriyle ilgili kararlarda giderek daha fazla söz ve etki sahibi olmaları ve yerel devlet kurumlarının girişimci faaliyetler içine girmeleri (özellikle arazi rantı elde etmeye odaklı faaliyetler), yerel ekonomik büyüme siyasetini etkileyen en önemli günümüz koşulları olarak tanımlanmıştır. Bu tanımla ilişkili olarak, tezin 3. Bölümü'nde Türkiye'nin 1980 sonrası ulusal

ekonomik ve siyasi bağlamı tartışılmış ve bu dönemde, kentlerde, yeni bir sanayi elitinin ortaya çıktığı ve yerel devlet kurumlarının (özellikle belediyelerin) arazi rantı elde etme faaliyetlerinin odağına oturtulduğu söylenmiştir.

Kentlerin siyasi süreçlerle sürekli yeniden tanımlandığı ve yapılandırıldığı düşüncesinin kabul edildiği bu tezde, bu süreçlerin araştırılması konusunda yararlı olabilecek bazı kavramlar 2. Bölüm’de sunulan yazın taraması ve bu yazının eleştirel bir değerlendirmesi sonucunda belirlenmiştir. Bu bağlamda, Kevin Cox’un öne sürdüğü “yerele bağlılık” kavramı, bu kavrama ilişkin olarak eleştirel bir bakış açısı ve alternatif bir içerik geliştirme fikri savunulmakla birlikte, tezin ana kavramlarından biri haline gelmiştir. Cox’un kavramsallaştırmasının aksine yerele bağlılık kavramına yerel koalisyonların oluşumundaki rolü itibariyle sadece olumlu bir anlam yüklenmemesi gerektiği söylenerek, yerel aktörlerin yerele bağlılıklarının (esas olarak bu bağlılıkların farklılaşmasının) bu koalisyonların üretilmesi açısından kısıtlayıcı sonuçları da olabileceğine dikkat çekilmiştir. Daha somut bir ifadeyle, yerel aktörlerin birbirinden farklılaşan yerele bağlılıklarının, farklı sermaye gruplarına ait farklı yerel büyüme gündemleri doğurduğu ve ekonomik öncelik ve tercihleri birbirinden farklılaştırdığı ortaya konularak yerel ekonomik büyüme siyasetinin çelişkili ve parçalı yapısı Manisa örneğinde gösterilmeye çalışılmıştır.

Yerel işgücü, tedarikçi firma ilişkileri ve satış pazarları sanayi firmaları için temel ve öncelikli yerele bağlılık faktörleri olarak ortaya çıkarken, arazi sahipliliği, tarım sermayesi ve arazi sahipliliği ile ilgili diğer tüm çıkar grupları açısından ana yerele bağlılık faktörü olarak tanımlanmıştır. Yerel çelişki ve çatışmaların temelinde yattığı düşünülen yerele bağlılıkların bu çeşitliliği ve farklılığı, 5. Bölüm’de Manisa Organize Sanayi Bölgesi’nin (MOSB) yönetimini ele geçirme mücadelesi etrafında tartışılmıştır. Küçük ticaret ve tarım sermayesini temsil eden Manisa Ticaret ve Sanayi Odası (MTSO) ve MOSB sanayicilerini çatısı altında toplayan Manisa Organize Sanayi Bölgesi Sanayicileri Derneği (MOSBSD) arasında geçen bu mücadelenin çözümlenmesi, yerel ekonomik büyüme siyasetinin çelişkili doğasıyla ilgili bir örnek olmasının yanında kentsel rejim yaklaşımının temel savlarının eleştirel bir şekilde tartışılmasına olanak sağlaması açısından da önemlidir.

Yerele bağıllık kavramı yanında tezin ana kavramlarından bir diğeri de yerel aktörlerin yerel-üstü ölçeklerle (ulusal ve küresel) kurdukları ilişkilerdir. Bu kavramsal araç özellikle, yerel ve ulusal düzey siyasetin birbiri ile içiçe geçtiği Türkiye’de yerel ekonomik büyüme siyasetinin tartışılmasında önemli bir yere sahiptir. Bu bağlamda, Türkiye’deki yerel (büyüme) siyasetin öne çıkan özelliklerinin sunulduğu 3. Bölüm’de yerel aktörlerin ulusal siyasete eklenmek ya da etki etmek için kullandıkları temel bağlantı kanallarının siyasi partilerin yerel örgütleri ve yerel iş kuruluşları (odalar ve dernekler) olduğu ortaya konmuştur. Ayrıca, 5. Bölüm’de de tartışıldığı üzere, büyük sermaye bu kanalların aracılığı olmaksızın, merkezi hükümetle doğrudan bağlar kurabilmektedir. Bu nedenle, yerel aktörlerin yerel-üstü ilişkileri, bu aktörlerin farklı yerele bağıllıklarından kaynaklanan farklılaşan yerel çıkarlarının gerçekleştirilmesi açısından oldukça önemlidir. Dahası, nasıl yerel çelişkilerin birbirinden farklılaşan yerele bağıllıklar kökeninde ortaya çıktığı öne sürüldüyse, benzer bir biçimde, bu tezde, yerel aktörlerin sahip olduğu yerel-üstü bağların da mevcut çelişkileri derinleştirdiği savunulmaktadır.

Bu iki temel kavrama ek olarak, 2. Bölüm’de kentsel rejim ve kentsel büyüme koalisyonları yaklaşımlarının oldukça etkilendiği elitist ve çoğulcu perspektiflerin kısa bir özeti de sunulmuştur. Bu özeti değerlendirilmesi sonucunda, yerel işbirlikleri/ koalisyonlar fikrinin eleştirel bir şekilde tartışılabilmesi için yereldeki temel güç yapısının, yerel gündem oluşturma süreçlerinin ve karar verme mekanizmalarının da değerlendirilmesinin gerekli olduğu ortaya konmuştur. Dolayısıyla, ulusal ekonomik ve siyasi bağlamın tartışıldığı 3. Bölümde Türkiye’deki temel yerel güç yapısı ve yerel düzeydeki karar verme süreçlerinden (yerel ekonomik büyüme bağlamında) ana hatlarıyla bahsedilmiştir. Ayrıca, alan araştırması verilerinin, 5. ve 6. Bölümlerde belirlenen iki örnek olay üzerinden değerlendirilmesi esnasında, farklı grupların savunduğu farklı yerel büyüme gündemleri de çözümlenmiştir. Çünkü, farklı gündemlerin varlığı yerel çıkarların, yani dolayısıyla yerele bağıllıkların birbirinden farklılaşmasını yansıtmaktadır.

Kentsel büyüme koalisyonları yaklaşımı, yerel koalisyon oluşumlarının temelindeki en büyük teşvik edici ögenin arazi rantı elde etme isteği ve çabası olduğunu öne sürmesi nedeniyle tezin ana savı açısından önemli bir yere sahiptir. Yukarıda da bahsedildiği gibi, Türkiye’de 1980 sonrası döneminin en tanımlayıcı ve belirleyici özelliklerinden ikisi kentlerde yapılı çevre yatırımlarının (hem özel sektör, hem de devlet aracılığıyla) önemli ölçüde artması ve belediyelerin, arazi rantı yaratımıyla yakından ilişkili olan bu sürecin odak noktasına yerleştirilmiş olmasıdır. Tezin 6. Bölümünde, Manisa’nın 2004-2009 dönemindeki belediye başkanı ve bazı belediye meclis üyeleri öncülüğünde, bir özel- kamu ortaklığı olarak başlatılan Manisa Ortak Girişim Grubu (MOGG) örneği üzerinden büyüme koalisyonları yaklaşımının, yukarıda bahsedilen başlıca savının geçerliliği sınanmıştır.

2. Bölüm’de bahsedilen kavramsal çerçevelerden bir diğeri olan David Harvey’in “yapılandırılmış uyumluluk” kavramı, sermaye ve emek gücünün farklı kesimleri arasındaki ayrımlara dikkat çekmesi ve dolayısıyla bu toplumsal kategorilerin kendi içlerinde homojen olmadığına işaret etmesi açısından önemlidir. Bu anlamda, bu tez kapsamında yapılan çözümlenmeler esnasında, yerel sermayenin sektörlere (ticaret ve tarım sermayesi ile sanayi sermayesi arasındaki bölünme), firma büyüklüğüne (büyük, orta ve küçük ölçekli sanayi firmaları) ya da “yerli olma” niteliklerine göre (dışarıdan gelen-özelde çokuluslu şirketler- firmalara karşılık yerli firmalar) yapılan çeşitli ayrımlardan yararlanılmıştır. Bunun yanında, emek gücünün meslek, işteki konum, sahip olunan nitelikler, etnik köken, toplumsal cinsiyet vs. olarak ortaya konabilecek çeşitli içsel bölünmeleri de tezin kapsamı el verdiği sürece kullanılmıştır. Bu bölünmelerin önemi, yerel çıkarların çeşitliliğine ve birbirinden farklılaşmasına işaret etmesi sayesinde sahip olduğu açıklayıcı güçte gizlidir. Özetle, hem emek gücünün yapısından bahsedilen 4. Bölüm’de, hem de yerel sermaye çevresinin bölünmüşlüğüne tartışıldığı 5. Bölüm’de, yerel sermaye ve yerel emek gücünün ortak çıkarlara sahip homojen toplumsal gruplar olarak görülmemesi gerektiği fikri benimsenmiştir.

2. Bölüm’de, alan araştırmasının çözümlenmesinde yararlı olabilecek kavramlar çıkarıldıktan ve 3. Bölümde de Türkiye’deki yerel ekonomik büyüme siyasetinin

ana hatları ortaya konduktan sonra, 4. Bölüm’de Manisa’nın ekonomik gelişme tarihçesi, sanayi gelişimine yapılan vurgu çerçevesinde, ele alınmıştır. Bu anlamda, Manisa’daki sanayi gelişimi ve yerel ekonominin biçimlenmesi açısından önemli olduğu düşünülen dört dönüm noktası ve bunlara bağlı dört dönem tespit edilmiştir. 4. Bölüm’de sanayi sektörünün Manisa’daki gelişiminin ele alınmasının yanı sıra yerel emek gücünün temel özelliklerinden de bahsedilmiştir. Yerel emek pazarlarının, emeğin mekansal bölünmesine bağlı olarak birbirinden farklılaşması ve emek-sermaye arasındaki ilişkinin yerelden yerele değişmesi olgusu nedeniyle, 4. Bölüm’deki tartışmaya böyle bir kısmın eklenmesinin uygun olacağı düşünülmüştür. Bir başka deyişle, yerel emek pazarını biçimlendiren yerel nitelikli etkilerin, yerel işgücünün temel özelliklerinin ve yereldeki emek-sermaye ilişkilerinin yapısının kavranması yerel ekonomik büyüme siyasetinin çözümlenmesi açısından önemli bir yere sahiptir. Ayrıca, yerel ekonomilerin genelgeçer kavramsallaştırılmasına karşıt olarak, bu tez, yerel ekonomilerin ve bu ekonomilerin arkasındaki siyasi süreçlerin değerlendirilmesinde daha geniş bir bakış açısı benimsemekte ve bu anlamda çözümlenmeye ekonomik büyüme sürecinin sonuçlarının da dahil edilmesi gerektiğini savunmaktadır. Buradan hareketle, emek süreçlerinin temel özelliklerinin tartışmaya dahil edilmesinin somut anlamı, yerel ekonomik büyüme sürecinin en önemli sonuçlarından birinin (Manisa örneğinde gösterildiği üzere) yerel emek gücünün çalışma koşullarının kötüleşmesi olmasında yatmaktadır.

Manisa’ya yerel emek gücünün temel özellikleri bakımından iki önemli nokta tespit edilmiştir. Bunlardan birincisi Manisa’nın emek gücü pazarında mavi-yakalı, niteliksiz işçilerin yoğunlaşmış olması, ikincisi ise göçmen işçilerin sahip olduğu önemli paydır. Niteliksiz işgücünün bu yoğunlaşmasının Manisa’nın tarımsal geçmişi ve VESTEL gibi büyük firmaların üretim tarzları (yüksek sayıda niteliksiz işçiye gereksinim duyan kitlesel üretim) ile yakından ilişkili olduğu düşünülmektedir. Bunun yanında, firmaların gereksinim duyduğu beyaz-yakalı ve teknik nitelikli mavi-yakalı işçilerin İzmir’den temin ediliyor olması Manisa emek pazarında niteliksiz işçi yoğunlaşması ile ilgili dolaylı etmenlerden biridir.

Göçmen işçilerin yerel emek pazarına yaptıkları etkiler bağlamında ise maaşların azalması ve kötüleşen çalışma koşulları en önemli iki konu olarak ortaya çıkmıştır. Düşen maaş düzeyleri ve kötüleşen çalışma koşullarının yanında, göçmen işçilerin yerel işgücü pazarı üzerindeki bir diğer etkisi de iş güvenliğinin zedelenmesi olmuştur. Yapılan derinlemesine görüşmelerde, göçmen nüfus sayesinde artan rezerv işgücünün, işverenler tarafından çalışan işçiler üzerinde bir tehdit unsuru olarak kullanıldığı dile getirilmiştir. Giderek artan taşeron firmalar aracılığıyla işçi çalıştırma politikası (özellikle VESTEL fabrikalarının uyguladığından bahsedilmiştir) da iş güvenliğini kötü yönde etkileyen diğer bir önemli etmendir.

Sonuç olarak, Zorlu Holding Grubu'nun yerel emek pazarı üzerindeki hegemonik kontrolü (üretimünün büyük bir bölümünü küresel pazar için yapan VESTEL fabrikaları yoluyla), Manisa'da işlerlikte olan emek-sermaye ilişkilerinin en önemli belirleyicisidir. Sendikalaşmanın VESTEL fabrikalarında kesin bir şekilde yasaklanmasını da içeren bu hegemonik kontrol, yerel emek gücünün özellikleri üzerinde önemli belirleyici ve yönlendirici etkileri vardır. Manisa örneğinde niteliksiz, yerele bağlı işçilerin küresel rekabet koşullarından olumsuz olarak etkilenen grupların başında geldiği görülmektedir. Tezin genel savı etrafında düşünülecek olursak, her ne kadar hem sermaye hem de emek gücünün devamlılığı yerelde kurdukları ilişkilere bağlı olsa da, işlerlikte olan sermaye-emek ilişkisi görünür ve net çelişkilerle dolu bir ekonomik büyüme sürecini ortaya çıkarmaktadır.

Görüldüğü üzere 4. Bölüm'ün amaçlarından bir tanesi yerel ekonomik büyüme siyasetinin çözümlenmesine yerel emek boyutunun eklenmesi olmuştur. Bunu yanında, dört ana döneme bölünerek ortaya serilen Manisa'nın ekonomik tarihi, bu sürecin yerel işbirlikleri ile değil, aksine, yerel çelişki ve çatışmalarla nitelendiği sonucuna götürmektedir. Bu anlamda, iki temel olgunun yerel aktörler arasındaki çelişki ve çatışmaları tetiklediği tespit edilmiştir. Bunlardan birincisi kente yeni sermaye ve emek gücünün girişi, diğeri ise merkezi hükümet tarafından uygulamaya koyulan yeni sanayi politikalarıdır. Manisa'da 1960'ların sonunda Organize Sanayi Bölgesi'nin kurulması ve 1980 sonrasında benimsenen yeni ulusal

sermaye birikim stratejisi bu iki olgunun kesiştiği dönüm noktalarıdır. Manisa Organize Sanayi Bölgesi'nin (MOSB) kurulması tarımsal sermayenin baskın olduğu Manisa yerel ekonomisine sanayi sermayesinin girişini sağlamış, öte yandan, 1980 sonrası dönemde uygulanan makro-ekonomik politikalar sanayi sermayesini tarımsal ve küçük ticaret sermayesi karşısında daha güçlü ve avantajlı bir konuma yerleştirmiştir. Diğer yandan, 2000 yılında yeni OSB Kanunu'nun (4562 sayılı) çıkarılması da sanayi sermayesinin yerel düzeyde hakimiyet kazanması için zemin hazırlamıştır. OSB yönetimlerinin Ticaret ve Sanayi Odaları'ndan OSB'lerdeki sanayicilere aktarılmasını içeren bu yeni yasal düzenleme farklı sermaye kesimlerini (büyük sanayi sermayesi ile küçük ticaret ve tarım sermayesi) karşı karşı getiren (Manisa'da da olduğu gibi) bir düzenleme olarak karşımıza çıkmaktadır.

Yukarıda ortaya konulan çerçeve içersinde Manisa'daki yerel ekonomik büyümenin tarihi gelişimini özetleyen dört ana dönem belirlenmiştir. Yerel sermayenin yapısına ve yerel ekonomideki yapısal değişikliklere referansla belirlenen bu dönemler ana hatlarıyla şöyledir:

1. Bir Tarımsal Üretim Merkezi (1923-1970): Türkiye Cumhuriyeti'nin başlangıcı ile başlayan bu dönem, hem Manisa ili hem de il merkezi açısından tarım sektörünün tartışmasız bir hakimiyetinin olduğu bir dönemdir. Sanayi sektörünün yerel ekonomik yapı içersindeki payı, hem istihdam rakamları, hem de elde edilen ekonomik değer düşünüldüğünde oldukça düşüktür. Tüm bu nedenlerle, bir tarımsal üretim merkezi olarak adlandırılabilir. Manisa'da bu dönemin tarım ve küçük ticaret sermayesinin çıkarlarının baskınlığı ile nitelendiği söylenebilir.
2. Tarım ve Sanayi Sektörlerinin Birarada Varoluşu Başlıyor (1971-1979): 1971 yılında MOSB'nin açılması Manisa'nın ekonomik büyüme tarihçesinde önemli bir dönüm noktasıdır. Ancak, bu dönemde MOSB'ye yönelen sanayi yatırımlarının fazla olmadığı, dolayısıyla da, sanayi sektörünün ekonomik yapıdaki payının sınırlı olduğunu söylemek

mümkündür. Başka bir deyişle, MOSB'nin açıldığı ilk dönemde yatırım ve istihdam desenlerinde belirgin bir yön değişikliğinden çok tarım sektörünün yerel ekonomik yapıdaki ağırlığının sürmesi söz konusudur. Sınırlı miktarda tarımsal sermayenin birkaç yerli yatırımcı tarafından sanayi sektörüne aktarıldığı ve dışarıdan gelen bazı yatırımcıların MOSB'de sanayi yatırımları yaptıkları görülmektedir. Ayrıca, yapılan derinlemesine görüşmeler ve gazete arşiv taraması, yerli sermaye sahiplerinin genel olarak yeni gelişmekte olan sanayi sektörüne yatırım yapma konusunda isteksiz olduklarını ortaya çıkarmıştır. Hatta, bazı büyük tarımsal üreticilerin, işgücünün tarım sektöründen sanayi sektörüne kaymasından duydukları endişe nedeniyle, Manisa'daki sanayi gelişimine karşı durdukları verisine de ulaşılmıştır. Bu nedenle, Manisa'da bu ilk dönemde başlayan sanayi yatırımları genelde dışarıdan gelen yatırımcılar eliyle gerçekleştirilmiştir; yerli sermaye sahipleri ise yoğun olarak tarım ve küçük ticaret faaliyetlerinde bulunmaya devam etmişlerdir. Yerel ekonominin yeniden yapılanması bu dönemde başlamış, bu yeniden yapılanma ise sermayenin farklı kesimleri arasındaki bir ayrım ile nitelenmiştir. Bu ayrımın, ilerleyen dönemlerde (özellikle 1995 sonrasındaki son dönemde) çelişkili bir ilişkiye dönüşeceği görülecektir.

Bu dönemde tarım ve sanayi sermayesi arasında belirgin bir çatışmanın ortaya çıkmaması konusunda Manisa Ticaret ve Sanayi Odası'nın oynadığı önemli rolden bahsetmek yararlı olacaktır. Manisa'da küçük ticaret sermayesini meydana getiren kesim aynı zamanda ve esas olarak tarımsal üretim faaliyetleriyle uğraşan kesimdir. MOSB'nin Manisa'da kurulması bu kesimin meslek örgütü olan MTSO'daki bazı yöneticiler ve kanaat önderleri tarafından ("eşraf" olarak da adlandırılabilir, sınırlı sayıdaki insanın oluşturduğu bir grup) gerçekleştirilmiştir. Bu çerçevede, sanayi sektörünün Manisa'daki gelişimi aslında kendileri de tarımsal üretim ile uğraşan, toprak sahibi küçük bir eşraf kesimi tarafından tetiklenmiştir. MTSO'da temsil edilen ve MTSO yönetimine yön veren bu kesimin aynı zamanda MOSB

yönetimini de yürütmesi, kentin sanayi geleceğiyle ilgili kararların yine tarım kesimi tarafından (en azından bu dönem özelinde düşünüldüğünde) yönlendirildiğini açıkça göstermektedir.

3. Sanayi Sektörünün Atılım Yapması (1980-1994): Daha önce de bahsedildiği üzere 1980 yılı ulusal birikim stratejisinin ihracata dönük, serbest pazar ekonomisine doğru yönlendiği yıldır; bu nedenle de Türkiye ekonomisi açısından önemli bir dönüm noktası olarak sayılmaktadır. 1980-öncesi dönemlerde kentlerdeki sanayi gelişiminde doğrudan devlet yatırımlarının oldukça önemli bir rolü varken, 1980-sonrası dönemde kentlerde yapılacak sanayi yatırımlarının belirlenmesinde ve dolayısıyla kentlerin ekonomik geleceklerinin yönlendirilmesinde özel sermaye sahiplerinin etken rolü giderek artmıştır.

Manisa'da 1980'lerin ilk yıllarına kadarki sanayi gelişimi genelde tekstil ve gıda sektöründe yapılan yatırımlar yoluyla gerçekleşmiştir. Bu alt-sektörlerdeki gelişme 1980-1994 arasındaki dönemde de sürmüştür, fakat bunun yanında metal ve makine gibi diğer bazı alt-sektörlerin de gelişmesi de gözlenmiştir. Bu yeni alt-sektörlerin gelişimindeki en büyük etmenlerden birisi tedarikçi firma gereksinimi duyan büyük ölçekli firmaların sayısının 1980- sonrası dönemde önemli ölçüde artmasıdır. Öncelikli olarak VESTEL Elektrik- Elektronik (1983'de kurulan) ve RAKS Elektronik firmalarının kurulması ile birlikte MOSB'deki sanayi yapısı çeşitlenmiş ve üretim hacmi de önemli ölçüde artmıştır.

Özetlemek gerekirse, bu dönemde, Manisa'daki sanayi sektörü kentin sadece tarımsal bir üretim merkezi olarak adlandırılmayacağı bir noktaya ulaşmıştır. Buradan hareketle 1980'den 1994 yılına kadar geçen sürede Manisa'nın yerel ekonomik yapısı önemli değişimlere sahne olmuş, bir yandan yerel sermayenin bileşimindeki sanayi sektörünün ağırlığı önemli ölçüde artmış, diğer yandan da, gelişen sanayi sektörü ve mevcut, güçlü bir tarım sektörünün varlığı Manisa kentinin önemli ölçüde iç göç almasına

neden olmuştur. Bu bağlamda, bu dönem sanayi sermayesinin tarım sermayesi karşısında üstünlüğünün ortaya çıkmaya başladığı dönem olarak nitelendirilebilir.

Yerel sermaye ve yerel emek gücü yapılarındaki bu önemli değişimlere rağmen, bu dönemde ne yerel sermayenin farklı kesimleri arasında ne de yerel sermaye-yerel emek gücü arasında belirgin çelişki ve çatışmalar gözlenmemektedir. Yerel sermaye ile ilgili olarak, yeni çelişkilerin ortaya çıkmamasını ya da mevcut çelişkilerin büyümemesini sağlayan iki etmenden söz etmek mümkündür. Bunlardan birincisi 1980 sonrasındaki makro-ekonomik politikaların (çeşitli devlet teşvikleri ve sübvansiyonlar) etkisiyle yerli tarım sermayesinin sanayi sektörüne daha kolayca yatırım yapma olanağının ortaya çıkmasıdır. Manisa'da açılan büyük ölçekli fabrikalar sayesinde yan sanayiye duyulan gereksinim, yerli sermayenin genelde küçük ve orta ölçekli olan ve büyük firmaların tedarikçisi olarak çalışan işletmeler aracılığıyla sanayi sektörüne girmelerini sağlamıştır. İkinci etmen ise tarıma dayalı sanayinin (tekstil ve gıda başta olmak üzere) bu dönemde Manisa'da önemini hala sürdürmesidir. Böylece, bu alt- sektörlerin varlığı tarım ve sanayi sermayesi arasında bir ekonomik işbirliğinin gerçekleşmesini mümkün kılmıştır. Yerel emek gücü açısından bakıldığında ise öncelikle yapılan gözlem, hem tarım hem de sanayinin güçlü ve üretken sektörler olarak Manisa'da yer almasının oldukça önemli istihdam olanakları getirdiğidir. Yapılan derinlemesine görüşmelerinden anlaşıldığı üzere bu dönemin büyük firmalarının ortaya koyduğu istihdam politikaları işçiyi şimdiki döneme göre çok daha fazla kollayan politiklardır. Bunun da yerel sermaye ve yerel emek gücü arasında bugünkünün aksine gözle görünür çelişkilerin ortaya çıkmasını engellemiş olabileceği düşünülmektedir.

4. Sanayi Sermayesinin Hakimiyeti (1995- Günümüz): 1980- sonrası dönemde hızlanan Manisa'daki sanayi gelişimine 1990'ların ilk yıllarından itibaren çokuluslu şirketlerin yatırımları da eklenmiştir. Bir önceki dönemin büyük sanayi yatırımlarından biri olan VESTEL Elektrik- Elektronik firması Zorlu

Holding Grubu tarafından 1994 yılında satın alınmış ve bu da Manisa'nın yerel ekonomik gelişme tarihinin son dönüm noktası olarak tespit edilmiştir. Bugün, Zorlu Grubu gerek yarattığı istihdam büyüklüğü gerekse de yan sanayi hacmi ile Manisa ekonomisinin odak noktasında yer almaktadır. Yapılan alan çalışması sonucunda, yerel ekonomide çok büyük bir paya sahip olmasına rağmen hem yan sanayi hem de işçiler arasındaki rekabeti yüksek seviyelere çekmesi nedeniyle, hem yan sanayi olarak çalışan küçük üreticiler, hem işçiler, hem de yerel kanaat önderleri tarafından yerel ekonomiye (özellikle uzun vadede) zarar veren bir sanayi kuruluşu olarak da nitelendirildiği ortaya çıkmıştır.

Uyguladığı düşük ücret politikası, VESTEL fabrikalarında sendikal örgütlemenin önünün kesin bir biçimde kesilmesi ve işçilerin taşeron firmalar aracılığıyla istihdam edilmesi Zorlu Grubu'nun yerel sermaye- yerel emek gücü arasındaki ilişkinin çelişkili doğasını nasıl arttırdığının en açık örnekleri olarak karşımıza çıkmıştır. Ana sanayi- yan sanayi ilişkileri açısından bakıldığında ise Zorlu Grubu'nun üretim maliyetlerini düşürmek amacıyla yan sanayi firmaları arasındaki rekabeti oldukça yüksek düzeylere çıkardığı yapılan derinlemesine görüşmelerde dile getirilmiştir. Bunun yanında, ilişkide olduğu yan sanayi firmalarında da kendi uyguladığı düşük ücret politikasının uygulanması konusunda baskı yapması alan araştırmasının diğer önemli bulgularından biridir. Yukarıda ortaya koyulan verilerin ışığında 1995 sonrası dönemden başlamak üzere Zorlu Grubu'nun Manisa'nın yerel ekonomisi üzerinde hegemonik bir kontrolü olduğunu öne sürmek mümkündür.

Zorlu Grubu'nun yaptığı büyük yatırımlar ve yatırımların paralelinde gelişen yan sanayi hacmi sayesinde, sanayi sermayesi 1995 sonrası dönemde tarım sermayesi karşısından önemli ve açık ara bir üstünlük ele geçirmiştir. Bu üstünlük, diğer yandan da tarıma verilen devlet desteğinin özellikle 2000'den itibaren sürekliliğini kaybetmesi ve/veya azalması nedeniyle daha da güçlenmiştir. 1995'den başlayıp günümüze uzanan dönemde, yerel

sermayenin bileşimindeki önemli değişiklik ve bununla ilgili olarak ortaya çıkan yeni ve/ veya derinleşen çelişkiler sonucu Manisa'daki yerel güç ilişkilerinin yeniden yapılandığının belirgin ve somut göstergeleri olan dikkat çekici örnek olaylar da gerçekleşmiştir. MTSO ile MOSB sanayicileri arasında MOSB'nin yönetimi için verilen mücadele tarım ve küçük ticaret sermayesi ile sanayi sermayesi arasında varolan ve özellikle son dönemde derinleşen çelişkinin dışavurumu olarak tanımlanabilir.

Bir bütün halinde değerlendirildiğinde, 4. Bölüm'de tarihsel bir perspektif içinde yapılan tartışmalar, Manisa'nın ekonomik büyüme sürecinin yerel aktörler arasında kurulan işbirlikleri ya da koalisyonlar yerine birtakım çelişki ve çatışmalarla nitelendiğini ortaya koymaktadır. Özellikle Zorlu Grubu'nun Manisa'ya yatırım yapmasıyla başlayan ve 1995'den günümüze kadar uzanan süreçte, yerel sermayenin iç bölünmeleri ve giderek artan bir biçimde çelişkili bir yöne doğru evrilen yerel sermaye ve yerel emek gücü arasındaki ilişkiler Manisa'da gözlenen en önemli ve en dikkat çekici olgular olmuştur. Yerel sermayenin içsel bölünmeleri sadece tarımsal ve sanayi sermayesi arasında gerçekleşmemiş, 4. ve 5. Bölüm'lerde değinildiği üzere sermaye büyüklüğü ve firmaların yerli olup olmaması gibi çeşitli bölünme hatları boyunca da ortaya çıkmıştır. Sermaye büyüklükleri açısından ortaya çıkan bölünmenin (büyük firmalar ile küçük ve orta ölçekli firmalar arasındaki bölünme), bu farklı büyüklükteki firmaların yerele bağlılıklarının birbirinden farklı olması kadar sermaye sahiplerinin yerel-üstü ölçeklerle (ulusal ve küresel) kurdukları ilişkilerin de değişiklik göstermesi ile bağlantılı olduğu alan araştırması verilerinin değerlendirilmesi sonucunda ortaya konulmuştur. Ayrıca, yerel aktörlerin yerel- üstü ölçeklerle kurduğu ilişkilerin birbirinden farklılaşmasının, onların yerel siyasete katılma biçimleri üzerinde de etkili olduğu ortaya çıkmaktadır. Alan çalışmasının bir bütün olarak değerlendirilmesi sonucunda küçük ve orta-ölçekli firma sahiplerinin yerel düzeyde güç elde etmek için siyasi partilerin yerel teşkilatları ve ikinci olarak da yerel iş kuruluşları (ticaret ve sanayi odaları, esnaf odaları, işveren dernekleri vs.) içinde etkin roller aldıkları ve bu sayede merkezi hükümete ve yerel-üstü diğer aktörlere ulaşmaya çalıştıkları

görülmüştür. Buna karşın büyük sermaye sahiplerinin yerel siyaset içindeki güçlerini doğrudan ve etkin katılımdan çok, merkezi hükümet ile kurdukları dolaylı olmayan bağlar yoluyla elde ettikleri ortaya konmuştur. Her ne kadar yerel- üstü ilişkilerin kurulma biçimleri ve bu ilişkilerin yerel siyaset dengesi üzerindeki etki güçleri birbirinden farklı olsa da, burada, Türkiye’de yerel siyaset ile ulusal siyasetin içiçe geçtiğinin altının bir kez daha çizilmesinde fayda vardır.

5.Bölüm’de farklı sermaye kesimleri arasındaki çelişkili ve çekişmeli ilişkileri ve sanayi sermayesinin içsel bölünmeleri ortaya konduktan sonra, 5. Bölüm’de MTSO ile MOSB sanayicileri arasında geçen ve 2000’de başlayıp 2008 yılında sonlanan MOSB yönetimini ele geçirme mücadelesi çözümlenecektir. Bu çözümlemede kullanılan ana iki kavram başta da belirtildiği gibi aktörlerin yerele bağlılıkları ve yerel-üstü ilişkileri olmuştur. Manisa’daki sanayi sermayesinin değerlendirildiği ilk kısımda yerli sanayici ile dışarıdan gelen sanayici arasında bir ayrım olduğu ortaya çıkmış ancak bu ayrımın büyük ölçüde yukarıda bahsedilen büyük firmalar ile küçük ve orta ölçekli firmalar arasındaki ayrıma denk geldiği görülmüştür. Bunun nedeni ise yerli (Manisalı) sanayi sermayesinin genelde küçük ve orta ölçekli firmalar şeklinde faaliyet gösterirken, büyük ölçekli firmaların çok büyük bir kısmının Manisa dışından gelen sermayenin kurduğu firmalar olmasıdır.

Yerli ve Manisa dışarıdan gelen (ya da farklı büyüklüklerdeki sanayi firmaları) sermaye arasındaki farkın asıl dayanağına bakıldığında, Manisa’daki sanayi büyümesinden elde edilen yararların farklılaşmasıyla ilgili olduğu görülmüştür. Bunun temelinde ise gerek yerel kaynakların kullanımı gerekse de devlet teşviklerinden yararlanma konusunda çeşitli sanayi kesimleri arasındaki varolan farklılaşma yatmaktadır. Örneğin, orta ölçekli sanayi firmalarla ilgili yasal bir düzenlemenin bulunmaması bu farklılaşmaya etki eden ulusal düzey bir etmen iken, MTSO’nun yönetimi elinde bulundurduğu uzun süre boyunca bu firmalara yönelik sanayi arsası üretimi yapmaması yerel ölçekle ilgili bir etmen olarak karşımıza çıkmaktadır.

Manisa'daki sanayi kesiminin yekpare bir bütün oluşturmadığı, aksine çeşitli akşlar boyunca bölünmüş oldukları MTŞO ile MOSB sanayicileri arasındaki mücadelenin değerlendirilmesi esnasında akılda tutulması gereken önemli bir noktadır. 2000 yılında 4562 sayılı yeni OSB yasının yürürlüğe girmesiyle birlikte kuruluşundan itibaren MOSB'nin yönetimi sürdüren MTŞO ile Manisa Organize Sanayi Bölgesi Sanayicileri Derneđi (MOSBSD) çatısı altında örgütlenen MOSB'de faaliyet gösteren sanayiciler arasında bir çatışma ve mücadele başlamıştır. Bu mücadelenin temelinde kentin sanayi gelişimi için esas olan yerel kaynakların kontrolünün ele alınması yatmaktadır. OSB'lerin kentlerin sanayi gelişimi açısından en büyük yerel kaynaklardan biri olduđu düşünülürse bu mücadelenin ana kaynađı net bir şekilde ortaya çıkmaktadır. Yerel kaynakların kullanımının kontrol altına alınmasıyla ilgili olan önemli bir nokta MTŞO ile MOSBSD'nin temsil ettiđi kesimlerin büyüme gündemlerinin birbirinden farklı olmasıdır; bu fark da esasen bu kesimlerin ekonomik öncelik ve tercihlerinin aynı olmadığını göstermektedir. Yerel ekonomik büyüme konusunda sahip olunan farklı gündemler ileride gösterileceđi gibi MTŞO ve MOSBSD'nin mücadele esnasında kullandıkları söylemlere açık bir biçimde yansımaktadır. Bunun yanında, küçük ve orta ölçekli sanayi ile tarım sermayesi temsilcileri, işçiler ve yerel politikacılar ile yapılan derinlemesine görüşmeler sonucunda, Manisa'da farklı kesimlerin üzerinde uzlaştığı bir yerel ekonomik büyüme vizyonunun olmadığı belirlenmiştir. Bu kapsamda, yapılan mülakatlarda, pek çok kişi tarafından Manisa kentinin birden fazla ekonomik potansiyele sahip olduđu ve bu nedenle gelecek büyüme hedefleri ile ilgili önceliklerin bir an önce belirlenmesi gerekliliđi dile getirilmiştir.

Tarım ve küçük ticaret sermayesinin ađırlıkla temsil edildiđi MTŞO ile büyük sanayi sermayesinin temsilcisi olarak tanımlayabileceğimiz MOSBSD arasında geçen MOSB'nin yönetimini ele geçirme mücadelesi esnasında kullanılan söylemler incelediğinde, MTŞO'nun daha yerele yönelik bir söylem geliştirdiđi ve MTŞO'nun MOSB'nin genişlemesi üzerinden iş imkanlarının artırılmasını savunduđu görülmektedir. MOSB sanayicilerine yönelik olarak MOSB'deki hizmet sunumundan da bahsedilmesine rağmen, MTŞO'nun söylemlerinin ana eksenini

MTSO'ya daha fazla yatırım çekmek ve yerel iş ve istihdam hacminin artırılması oluşturmaktadır. Bu da, kentteki farklı kesimleri kapsayan ve bu şekilde onların desteğini almayı hedefleyen bir söylemin geliştirildiğini göstermektedir. Buna karşılık MOSBSD'nin ana söylemini MOSB'deki sanayicilere daha ucuz fiyatlarda hizmet sunmak hedefi oluşturmaktadır. MTSO'nun kapsayıcı söyleminden farklı olarak MOSBSD'nin oldukça dar kapsamlı ve belirli bir söyleme yola çıktığı ve yasanın sanayicilerle tanıdığı yasal hakkın uygulanmasının zemininin yaratılması arayışı içinde olduğu görülmektedir. MOSB yönetimine sanayicilerinin tercih ve seçimlerinin yansıtılması meselesine odaklanan MOSBSD söyleminin karşısında MTSO kendini tüm kentin çıkarlarının savunucusu olarak tanımlamaktadır. Bu noktada da Manisa'nın yerlileri ile dışarıdan gelenler ayrımını devreye sokmuştur. Yukarıda da bahsedildiği üzere MTSO'nun yerel emek gücünün çıkarlarını da dahil ederek kurmaya çalıştığı kapsayıcı söylemi içerisinde, pek çok kere, Manisalı olmayan MOSB sanayicilerine karşı olarak "Manisalılık bilincinin" altının çizildiği görülmektedir. Bir başka deyişle, yerel kaynaklar çoğu Manisa'yla duygusal bağı olmayan insanlardan oluşan MOSB sanayicilerinin kontrolüne geçtiğinde kentin geneliyle ilgili birtakım çıkarların yerine getirilmeyeceği iddiası ile yerel kaynakları Manisa'nın yerlisi olan insanların biraraya geldiği MTSO tarafından sürdürülmesi gerekliliği MTSO'nun söylemlerinin en önemli meşruiyet zemini olarak öne sürülmüştür.

Bu kapsamda, MTSO'nun ulusal düzeyde önemli bağlantıları (MTSO başkanı Bülent Koşmaz'ın Türkiye Odalar ve Borsalar Birliği- TOBB- yönetim kurulundaki 2. Başkanlık konumu aracılığıyla) olmasına rağmen, MOSBSD'ne karşı belirlediği siyasi strateji öncelikli olarak yerel aktörlerin desteğini hedeflemektedir. Bu yerel stratejinin belkemiğini de MTSO'nun Miliyetçi Hareket Partisi Manisa il teşkilatı ve TÜRK-İŞ'e bağlı Türk Metal Sendikası ile kurduğu enformel bağlar (yine B.Koşmaz aracılığıyla) oluşturmaktadır.

MTSO ve MOSBSD'nin farklı stratejiler izlemesi, esasen temsil ettikleri kesimler için öncelikli olan yerle bağlılık faktörleri ile yakından ilgilidir. Sanayiciler ile karşılaştırıldığında, MTSO'nun temsil ettiği tarım ve küçük ticaret sermayesinin

yerel ilişkilere daha yoğun bir şekilde ve çeşitli alanlarda bağlı olduğu söylenebilir. Manisa'ya genelde dışarıdan gelmiş olan sanayi sermayesi açısından başlıca yerele bağlılık faktörleri yerel emek pazarı, ana sanayi- yan sanayi ilişkileri ve altyapı olanakları olarak sıralanabilecekken, çoğu Manisa'nın yerlisi olan tarım ve küçük ticaret sermayesi hem arazi sahipliği, hem ailevi ve sosyal bağlar, hem de ekonomik çıkarlarının genelde yerel yönetim düzeyinde gerçekleştirilen çıkarlar olması dolayısıyla da yerel siyasi ilişkiler üzerinden yerele bağlı olduklarını söylemek mümkündür. Sanayi sermayesi ile karşılaştırıldığında MTSO'nun temsil ettiği kesimler hem nicelik hem de bağlılıkların farklı alanlarda ortaya çıkması nedeniyle niteliksel açıdan daha yoğun bir yerele bağlılık altında hareket etmektedirler. Özetle, MTSO'nun geliştirdiği yerelin tümünü kapsayıcı söylem bu anlamda, MTSO bünyesindeki ekonomik kesimlerin yerele bağlılık biçimlerinin bir yansımasıdır.

MTSO'nun yerel düzeydeki yoğun destek arayışına karşın, MOSBSD'nin mücadele boyunca açık bir şekilde destek aldığı yerel kurumsal bir aktör olmadığı görülmektedir. Ancak, yapılan derinlemesine görüşmeler MOSBSD'nin mücadele boyunca MOSB dışında faaliyet gösteren küçük ve orta ölçekli sanayicilerin genelde örtük biçimde olan desteklerini aldığını göstermiştir.

Ulusal ölçekte kurulan ilişkiler düşünüldüğünde MTSO'nun iki ana kanalı somut olarak kullandığı görülmektedir. Birincisi, daha önce de belirtildiği gibi, MTSO başkanı Bülent Koşmaz'ın yönetim kurulunda 2. Başkanlık görevinde bulunduğu TOBB'dur. İkincisi ise 4562 sayılı yeni OSB yasası ile kurulan Organize Sanayi Bölgeleri Üst Kurulu (OSBÜK)'tür. Bu kurul, yasa tarafından Türkiye'deki OSB'lerin faaliyetlerini koordine eden ve ulusal düzeyde örgütlenen şemsiye bir kuruluş olarak tanımlanmıştır. Ancak, OSB'lerin bu kuruluşa katılımı zorunlu değildir. Bu çerçevede OSBÜK'ün kuruluş ve ilk yönetim seçimlerinde Bülent Koşmaz'ın etkin bir rol üstlenmesi (ve ilk OSBÜK genel kurulunda yönetim kurulu başkanı olarak seçilmesi) ve gazete arşiv taramasından elde edilen diğer veriler, bu ilk örgütlenmede, OSB yönetimlerini ellerinde tutmak için OSB sanayicilerine karşı

mücadele eden odaların yönettiği OSB'lerin katılımının söz konusu olduğu ortaya çıkarmaktadır.

Öte yandan, MOSBSD tarafında, ulusal düzeyde kurulan en önemli bağlantının MOSBSD üyesi olan Zorlu Holding Grubu'nun merkezi hükümetle kurduğu doğrudan ilişkiler olduğunu söylemek mümkündür. Bunun yanında, MOSBSD de MTSO'nun OSBÜK'de ağırlık elde etme ve Türkiye'deki benzer durumdaki odalarla işbirliği yapma çabasına benzer biçimde, TSO'lara karşı OSB'lerin yönetimini ele geçirmeye çalışan sanayicilerin biraraya geldiği Türkiye Organize Sanayi Bölgeleri Ortak Platformu adlı örgütlenmede yer almıştır.

Sonuç olarak, yerel-üstü ölçeklerle kurdukları ilişkiler değerlendirildiğinde, MTSO'nun Türkiye'deki yerel-ulusal siyaset etkileşiminin ana kanalları olan yerel odalar/ borsalar ve siyasi partilerin yerel teşkilatlarını daha etkin bir biçimde devreye soktuğu ve aynı zamanda yerel odaklı kurdukları mücadele söylemi ve stratejisiyle paralel bir biçimde bu kanallar yoluyla yerel destek de bulduğu söylenebilir. Diğer yandan, Zorlu Grubu'nun MOSBSD bünyesinde yer alması MOSB sanayicilerinin ulusal düzey siyasete ulaşmada MTSO'nun kullandığı geleneksel ve daha dolaylı kanallar yerine merkezi hükümetle doğrudan bağlar kurdukları görülmektedir.

MOSB yönetiminin ele geçirilmesi şeklinde dışavuran farklı sermaye kesimleri arasındaki çatışmanın çözümlenmesinin yapıldığı 5. Bölüm'ün temel savı, yerel aktörlerin yerel kaynakların kullanımına ilişkin öncelik ve tercihlerinin (ki bu tercihler kentin ekonomik geleceği üzerinde doğrudan etkilidir) farklılaştığı ve bu farklılaşma ile bu aktörler açısından belirleyici olan yerele bağlılık faktörlerinin birbirinden ayrı olması ile yakından ilişkili olduğu idi. Bu bağlamda, tezin ana savı çerçevesinde, 5. Bölüm'de yerel sermayenin üzerinde uzlaşabileceği ortak bir yerel ekonomik çıkar tanımlamanın zorluğu ortaya konulmuştur.

6.Bölüm ise tek bir yerele bağlılık faktörü üzerinde durulmuştur. Önemi bir yerele bağlılık faktörü olarak ele alınan arazi sahipliliği ve bunun paralelinde arazi rantı

elde edilmesi ile ilgili çıkarların yerel koalisyon oluşumları için bir zemin oluşturup oluşturamayacağı (kentsel büyüme koalisyonları yaklaşımın iddia ettiği üzere) incelenmiştir.

Manisa’da, 2004 yılında Manisa Ortak Girişim Grubu (MOGG) adı altında bir özel ve kamu işbirliği kurulmuştur. Bu işbirliği Manisa’da Sümerbank Mensucat Fabrikası’nın Özelleştirme İdaresi’nde satın alınması (esasen MOGG ilk başta fabrikanın şirket hisselerini değil sadece arazisini satın almayı hedeflemiştir) için oluşturulmuştur. Bu özel- kamu ortaklığının kurumsal aktörleri Manisa İl Özel İdaresi, Manisa Belediyesi’ne ait BESOT A.Ş., Manisa Ticaret ve Sanayi Odası (MTSO), Manisa Ticaret Borsası (MTB) ve Manisa Esnaf ve Sanatkarlar Odaları Birliği (MESOB)’dir. Bu kurumsal katılımların yanında 47 Manisalı işadınının bireysel katılımları ile MOGG’nin bileşenleri tamamlanmaktadır. Bu 47 işadınının bu ortaklıktaki hakim rolleri (ortaklığın geleceğini de etkileyen bu rol), MOGG tarafından kurulan şirkete yaptıkları finansal katkının büyüklüğünde yatmaktadır. MTSO, MESOB, MTB ve Manisa İl Özel İdaresi’nin payları sadece 5 % iken, 47 işadınının şirket sermayesindeki payları 95 %’dir.

Bu ortalıkta, o dönemde (2004-2009 yılları arasında) Manisa Belediye Başkanlığı yapmış olan Bülent Kar’ın rolü özellikle önemlidir. Yapılan derinlemesine görüşmelerden (bizzat başkanının kendisi de görüşme yapılan kişiler arasındadır) anlaşıldığı üzere, Manisa Mensucat Fabrikası’nın Manisa’lı bir girişimci grup tarafından satın alınması girişimi Bülent Kar başta olmak üzere dönemin bazı belediye meclis üyeleri tarafından başlatılmıştır. Ancak, fabrikanın Özelleştirme İdaresi’nden alınmasından çok kısa bir süre sonra KİPA TESCO adlı bir perakende firmasına satılması MOGG açısından bir dönüm noktası olmuştur. Fabrika arazisinin satış bedeli, Özelleştirme İdaresi’ne ödenen ve tüm firmanın alış bedeli olan miktarın yaklaşık dört katıdır. Kısa sürede MOGG tarafından elde edilen bu kar, hem MOGG bileşenleri arasında bir huzursuzluk ve sonrasında gelen bir parçalanma yaratmış, hem de yapılan özelleştirme ile ilgili olarak yerel ve ulusal düzeyde önemli bir politik boyut da içeren bir muhalefetin ortaya çıkmasını tetiklemiştir.

MOGG bileşenlerinin çözülmesinden sonra Manisa Belediyesi, MTB ve 47 bireysel işadama ortaklığın aktif üyeleri olarak yola devam etmiş, MTSO, MESOB ve Manisa İl Özel İdaresi yapılan uygulamalarla ilgili rahatsızlıklarını dile getirerek, her ne kadar kağıt üzerinde MOGG üyesi olarak kalsalar da TESCO KİPA'ya yapılan satış sonrasında sürecin dışında kalmayı tercih etmişlerdir.

Fabrika arazisinin satışı ile ilgili itiraz ve iptal davaları sürerken, TESCO KİPA'nın satış protokolünü feshetmesi sonucu arazi bu sefer de REDEVCO adlı bir başka perakende şirketine satılmıştır. Burada vurgulanması gereken en önemli nokta her iki satışta da Manisa Belediyesi'nin üstlendiği kritik roldür. İlk satıştan önce, yapılan bir plan değişikliği ile ilgili arazinin yol bağlantıları kuvvetlendirilmiş ve böylece değerinde önemli bir artış sağlanmıştır. İkinci satış öncesinde ise, fabrika arazisinde Manisa Belediyesi'nin sahip olduğu pay (Özelleştirme İdaresi'nin MOGG'ye yaptığı satış esnasında kentin ortak nitelikli ihtiyaçları için kullanılmak üzere belediyeye ayrılan pay) MOGG firmasına satılmıştır (bu satışın arazinin değerinden oldukça düşük olduğu açılan itiraz davasındaki bilirkişi heyetince tespit edilmiştir).

Tüm bunlar birarada değerlendirildiğinde, Manisa Belediyesi'nin yüksek arazi rantlarının ortaya çıkmasını içeren bu süreçte oynadığı öncü ve kilit rol, Bülent Kar ve partisi AKP'ye karşı yerel bir politik muhalefetin örgütlenmesini tetiklemiş, bu da 2009 seçimlerinde aday olduğu belediye başkanlığına seçilememesi üzerinde oldukça etkili olmuştur. Yapılan derinlemesine görüşmeler ve gazete arşiv taraması, MOGG faaliyetlerine karşı yükselen muhalefetin özsel olarak arazi rantı elde edilmesi ile ilgili olmadığını, fakat elde edilen bu rantın dağıtımını ile ilişkili olduğunu ortaya koymuştur. Muhalefet edilen esas şey elde edilen rantın küçük bir grup tarafından el koyulmasıdır. Kentlerde oluşan arazi rantlarının yeniden dağıtımını yapan en önemli kuruluş olan belediyelerin MOGG örneğinde görüldüğü gibi arazi rantı yaratılmasını içeren girişimlere dahil olmaları çok büyük bir çelişki doğurmaktadır. Bu nedenle, arazi rantı, her ne kadar farklı ekonomik ve politik çıkarlara sahip yerel aktörleri biraraya getirebilecek bir yerele bağlılık faktörü

olarak ortaya koyulabilecekse de oluřan bu koalisyonların geici ve politik atıřmalara olduka aık olduėunu da eklemek gerekmektedir.