

intervention in the Turkish economy. The consolidated government budget comprises central government spending and a number of annexed budgets of such partially autonomous entities as the State Highway Administration, state monopolies, and some universities and academies. Local budgets and most SEE budgets generally are not included in the consolidated budget, nor are special and extrabudgetary funds. The most important of the latter are the Mass Housing Fund, financed from luxury-import duties; the Defense Industry Support Fund, financed from levies on sales of gasoline, cigarettes, and alcoholic beverages; and the Public Revenue Sharing Schemes Fund. The partially autonomous organizations are included in the calculations for the public-sector borrowing requirement (PSBR).

Since 1983 the Treasury, under the direct control of the prime minister's office, has had sole responsibility to raise domestic tax revenues. The Ministry of Finance and the SPO are mainly responsible for planning spending policies, but the minister of finance presents the annual budget to parliament, which approves the annual government budget and legislates supplementary appropriations as required during the fiscal year, at times making significant modifications.

Turkish governments have persistently run large budget deficits, which have fueled inflation, capital flight, and heavy foreign and domestic borrowing. At the heart of this problem is the political system, which tends to be largely unrepresentative even when democracy is formally operating. Prior to major elections, governments have been prone to boost spending, particularly salaries for government workers. Despite recent modest changes to this system, Turkish governments have been averse to increasing taxes to pay for their high spending. Taxes, excluding social security contributions, are still around 20 percent of GNP—the lowest figure among the member countries of the Organisation for Economic Co-operation and Development.

Prior to 1980, local administrations had limited revenue-earning power and depended heavily on funds transferred from the central government. Even with such transfers, local governments were often short of funds needed to provide services required during a period of rapid urbanization when many city dwellers lacked even the most basic services. After 1980 reforms significantly strengthened the revenue base of municipalities, in part by providing that 5 percent of govern-

ment tax revenues would be withheld at the local level. In 1994 Çiller also attempted to increase the revenues that local governments might raise.

During the early and mid-1980s, the government made serious attempts to reduce Turkey's inflationary budget deficits, implementing policies to streamline government, improve public resources allocation, and modernize the tax system. The government, for example, designed tax reforms to increase revenues and to reduce inequities. In addition, the introduction of a lump sum tax on small businesses and a new system of income tax payments for self-employed people reduced tax evasion. The government also started to tax farmers' incomes systematically for the first time since the 1920s. Other reforms strengthened tax administration, established new tax courts, and instituted heavier penalties for tax evasion.

Overall, the consolidated budget deficit declined during the 1980s as a result of the reform measures. During the decade, the deficit averaged 3 percent of GNP. However, the deficit went up in the 1990s, reaching 7.4 percent in 1991, 6.1 percent in 1992, 9.8 percent in 1993, and 8 percent in 1994 (see table 6, Appendix A). The 1994 figure includes a first-quarter budget deficit of 17 percent, which was sharply offset in subsequent quarters after the promulgation of the April 5 measures and tight supervision by the IMF. These measures more than reversed some of the increases in wages and other spending made in 1992 and 1993. Public-sector borrowing requirements have been much higher as a percentage of GNP. After averaging around 6 percent during the 1980s, they ranged from about 10 to 17 percent in the 1990s.

Agriculture

Agriculture—the occupation of the majority of Turks—continued to be a crucial sector of the economy in the mid-1990s, although industrial production was rising. Turkey's fertile soil and hard-working farmers make the country one of the few in the world that is self-sufficient in terms of food. Turkey's great variety of microclimates and adequate rainfall permit a broad range of crops. Farming is conducted throughout the country, although it is less common in the mountainous eastern regions, where animal husbandry is the principal activity. In the mid-1990s, crop cultivation accounted for about two-thirds and livestock for one-third of the gross value of agricultural

production; forestry and fishing combined contributed a minimal amount.

Agriculture's share in overall income has fallen progressively, declining from almost 50 percent of GDP in 1950 to around 15 percent of GDP by 1993. During the same period, the sector grew only about 1 percent faster than the country's population, and per capita food production declined in absolute terms. The relatively poor showing of the agricultural sector reflected in part government policies that had made rapid industrialization a national priority since the 1930s. In addition, farmers were slow to adopt modern techniques, with agricultural output suffering from insufficient mechanization, limited use of fertilizer, excessive fallow land, and unexploited water resources. The result has been low yields.

Despite agriculture's relative decline in the 1980s as a percentage of GDP, the sector played an important role in foreign trade. Turkey enjoys a comparative advantage in many agricultural products and exports cereals, pulses, industrial crops, sugar, nuts, fresh and dried fruits, vegetables, olive oil, and livestock products. The main export markets are the European Union and the United States—to which Turkey primarily exports dried fruit and nuts, cotton, and tobacco—and the Middle East, which primarily imports fresh fruit, vegetables, and meat from Turkey. As late as 1980, agricultural exports accounted for nearly 60 percent of the total value of exports. In the early 1990s, agricultural products accounted for 15 percent of total exports. Around 50 percent of manufactured exports originate in the agricultural sector; counting these exports, the agricultural sector's contribution to exports again would rise to around 60 percent.

Agriculture has great potential for further development, provided that the state can implement successful agrarian reforms and development projects. Observers believe that to achieve balanced growth, Turkey needs to improve the training of farmers, make better seed available, upgrade livestock herds, standardize products, expand food-processing facilities (including cold storage and refrigerated transport), and reorganize marketing networks. Since 1980 the government has encouraged investments in packaging, processing, livestock, and slaughterhouses, and has imported new seed varieties. These efforts had a modest impact on overall production by the mid-1990s.



*Irrigation of an olive grove in
the Izmit area
Courtesy Hermine Dreyfuss*



*Tea plantation near Artvin,
northeastern Turkey; olives
and tea are major
Turkish crops.
Courtesy Hermine Dreyfuss*

The failure to exploit the country's great agricultural potential has contributed to Turkey's periodic economic crises and poses serious problems for future development. Glaring inequalities of income between urban and rural residents—and among segments of the farm population—have created social tensions and contributed to emigration from rural to urban areas. Malnutrition continues to threaten segments of the rural population, especially children. The Kurdish insurgency in eastern Turkey has added to problems in some rural areas. Rising incomes in the urban areas have caused increased demand for more "exotic" foodstuffs, especially meat and poultry. Since 1984 Turkey has liberalized its policy on food imports, partly to meet this urban demand and partly to offset domestic price pressure. Many previously banned luxury food imports and imports that compete with domestically produced staples are permitted for these reasons; in turn, the growth of these

imports has contributed to pressures on foreign trade accounts. Overall, agricultural output needs to expand along with the rest of the economy to maintain adequate supplies for industry and exports. Longer-term economic growth prospects and macroeconomic stability, therefore, depend on the performance of Turkey's agricultural sector and rural incomes.

Agricultural Policy

By 1980 Turkey was self-sufficient in food, and agricultural output was growing at a respectable rate, albeit more slowly than the economy as a whole. Starting in the early 1970s, crop intensification resulted from a reduction of fallow areas and increased use of fertilizer, fuel, and pesticides. The livestock industry, however, showed little improvement in productivity, and the later years of the decade saw the stagnation of all agriculture. Although production became less dependent on the weather as a result of irrigation and high-yielding varieties of seeds, these methods required adequate supplies of fertilizers, chemicals, equipment, and fuel, much of which had to be imported.

Productivity shortcomings, along with the new export-oriented development strategy, led to the adoption of different agricultural policies after 1980. Under the new approach, the government switched from promoting food self-sufficiency to maximizing agriculture's net contribution to the balance of trade. The incentive system was partially dismantled, fertilizer and pesticide subsidies were curtailed, and the remaining price supports were gradually converted to floor prices. The tight monetary policy limited agricultural credit, but real interest rates on loans to farmers remained negative. Nonetheless, a high proportion of defaults by farmers occurred on loans with high interest rates. In some cases, this led to the confiscation of land, tractors, or other property by the state, prompting one Turkish daily, *Milliyet*, to run an article entitled, "Bailiff Officer: The New Lord of the Peasants." The elimination of export licenses and minimum export prices, along with currency devaluation, an export-incentive system, and flat domestic demand, encouraged agricultural exports. In addition, a wider range of food imports was permitted, providing competition for domestic products.

The government's hope of rapidly increasing agricultural exports was slow in materializing, and total values fell sharply in the mid-1980s. This decline reflected both softer demand

abroad (especially in the Arab oil-producing countries) and Turkey's own attempts to increase the share of agricultural products processed prior to export. Still, by the early 1990s agricultural exports had risen, with the most dramatic increase occurring in textiles and clothing, which depend on indigenously grown cotton.

Despite the turn toward liberal agricultural policies, government intervention in agriculture remained pervasive in the mid-1990s. Many of the institutions established between 1930 and 1980 continue to play important roles in the daily life of the farmer, and many old attitudes and practices remain. A large number of ministries, agencies, SEEs, and banks administer government price supports, credit measures, extension and research services, and irrigation projects. In the past, overlapping responsibilities and lack of coordination had often diluted the effectiveness of government activities. Some progress was made in the 1980s, however, when the Ministry of Agriculture, Forestry, and Rural Affairs reorganized its eleven departments into five general directorates. Subsequently, the ministry was divided into the Ministry of Agriculture and Rural Affairs and the Ministry of Forestry.

After 1980 the government reduced budget transfers to agricultural SEEs and decreased the level of price supports, but the state still controlled most markets in the sector. Public marketing agencies and marketing or credit cooperatives administered prices and handled a large share of exports. Several of the SEEs involved in agricultural production had been slated for privatization in the early 1990s. The Meat and Fish Board, the Fodder Industry (Yem Sanayili), and the Milk Industry Board (SEK) were targeted for immediate privatization when they were placed under the control of the Public Participation Administration. However, officials in 1994 stated that they lacked sufficient funds to pay the sizable debts these organizations had accumulated, a necessary step before privatization.

Nearly all farm produce except livestock and fresh fruits and vegetables has support prices, which became more effective when the ministry started announcing them in the fall, giving farmers time to choose which crops would be most profitable. For most crops (except tea, sugar beets, and opium, for which the state is the only buyer), farmers can choose between selling to private buyers or to the state. Supports stabilize crop prices and improve aggregate farm income but add to the disparities of income between large and small farmers. Sup-

port prices grew slowly in the 1980s and did not keep up with inflation. However, in the summer of 1991, in anticipation of the forthcoming elections, Özal's Motherland Party government raised all support prices by 60 to 70 percent. Subsequent governments under Demirel and Çiller maintained increases in support prices roughly in line with the high inflation rate. During 1994, however, these increases were not maintained. In addition, the Agricultural Supply Organization provides many farm materials at subsidized prices, including fertilizers, pesticides, and insecticides.

The Agricultural Bank of Turkey (Türkiye Cumhuriyeti Ziraat Bankası—TCZB) provides most loans to farmers and cooperatives and closely watches agricultural credit. Although the TCZB was intended to favor small farmers in the distribution of credit, its loan requirements restrict credit for the many small farmers who either rent or lack a secure title to land or other properties needed as collateral. Much of the bank's lending consists of short-term loans extended to cooperatives for commodity price support. Farmers also obtain credit from merchants, wealthy farmers, and money lenders, often at extortionate interest rates. Much of the World Bank's lending for agricultural projects in Turkey is channeled through the TCZB.

Agricultural extension and research services are poorly organized and generally inadequate because of shortages of qualified advisers, transportation, and equipment. Well-trained personnel willing to work in the field are difficult to find, and agricultural research is fragmented among more than ninety government and university institutes. Research is organized by commodity, with independent units for such major crops as cotton, tobacco, and citrus fruit. Observers note that coordination of the efforts of different research units and links between extension services are inadequate. During the mid-1980s, the government attempted to strengthen and rationalize research and extension services, but the organizational complexity of the entities involved made reform difficult.

Irrigation

Getting enough water to crops is a major problem for many Turkish farmers. Rainfall tends to be relatively abundant and regular in the coastal areas because of the mountains behind them. However, the bulk of the agricultural land is on the Anatolian Plateau, which receives less rainfall because it is ringed by mountains. Although rainfall on the plateau varies consider-

ably among regions, it is barely adequate over large areas. In addition, the amount and time of rains vary sharply from year to year, causing sharp fluctuations in harvests. Since World War II, officials have stressed irrigation as a means of increasing and stabilizing farm output, and irrigation projects have consumed more than half of public investment in agriculture.

In the mid-1980s, observers estimated that private irrigation, depending on weirs and small barrages to direct water into fields, reached up to 1 million hectares. In addition, some farmers pumped water from wells to irrigate their own fields. Development of large-scale irrigation was delayed until the 1960s. Public-sector irrigation systems, built and operated by the General Directorate of State Hydraulic Works (Devlet Su Isleri—DSI) under the Ministry of Energy and Natural Resources, tend to be large and costly. Most provide water for entire valleys, and some large projects—for example, the Southeast Anatolian Project (Güneydogu Anadolu Projesi—GAP)—combine water supplies for urban areas, protection from flooding, hydroelectric power, and irrigation. Irrigation projects are dispersed throughout the country, but most are concentrated in the coastal regions of the Aegean and Mediterranean seas, where the longer growing seasons are particularly favorable to crops. Public irrigation water was available to 3.7 million hectares in the mid-1990s, although the area irrigated with public water totaled about 3 million hectares.

Deficiencies in irrigation included a serious lag between the construction of the main parts of an irrigation system and the completion of land leveling and drainage on farms. Also, crop research and farmer training were inadequate to assure the planting of suitable crops to obtain maximum yields from irrigated land. In the late 1970s, government officials estimated that only one-third of the irrigated land was being cultivated to its full potential. Moreover, low user fees did not initially permit the authorities to regain their initial investments; the fees were adjusted in the 1980s, however.

Major projects were planned to expand the irrigation system because government surveys had indicated that irrigation of up to 8.7 million hectares was possible. The most important project of the late 1980s and early 1990s is the GAP, which is linked with the 2,400-megawatt Atatürk Dam on the Euphrates River and is expected to irrigate 1.7 million hectares when it is completed in 2002. The system consists of a twin-bore 24.6-kilometer tunnel, which will take water from the reservoir to irri-

gate the plains around Harran, Mardin, and Ceylanpınar in southeastern Turkey. In the GAP region, farmers face a six-month dry season allowing them only one cash harvest per year. Irrigation will probably enable expansion to two or even three harvests. Crop rotation, which is largely unknown in areas without irrigation, has been introduced in the GAP region. Winter vegetables are expected to alternate with cotton as the summer crop. Although wheat and pulses dominate cropping patterns, cotton could take a larger share as access to water increases. The government projects that the GAP will increase Turkish wheat production by more than 50 percent, barley by a similar figure, and the region's production of cotton by more than four times by 2005, thus increasing national cotton production by 60 percent. The value of food surpluses expected to result from this project is estimated at US\$5 billion.

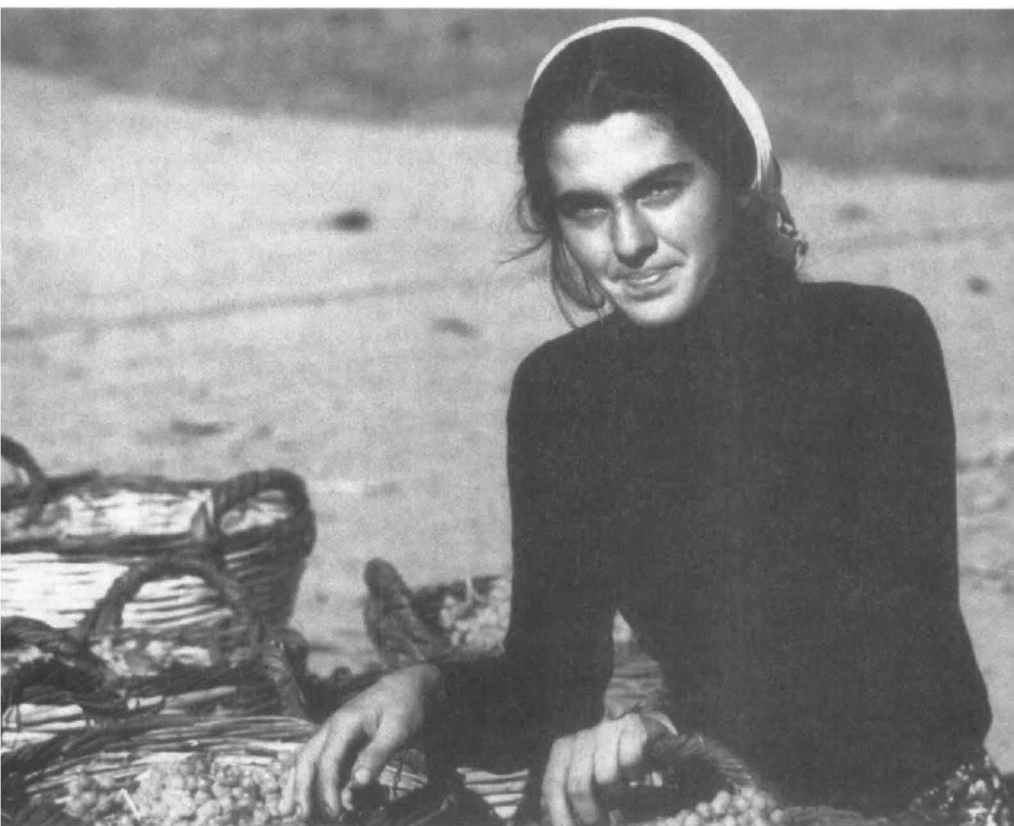
Land Use

Turkey's land surface totals about 78 million hectares, of which roughly 48 million hectares were being used for some form of agriculture by 1991. There were almost 24.2 million hectares in field crops, of which 5.2 million lay fallow. Another 3.7 million hectares were in use as vineyards, orchards, and olive groves, and 20.2 million hectares were covered by forests and other woodlands. Other land areas accounted for about 29 million hectares; included in this figure was land classified as lakes, marshes, wasteland, and built-up areas. The "other" category also included about 9 million hectares of permanent pastureland.

During the twentieth century, population pressure resulted in the expansion of farmland. The cultivated area increased from about 8 million hectares in the 1920s to nearly 19 million hectares in 1952 and to almost 28 million hectares by 1991. Using Marshall Plan credits that first became available in 1948, Turkey began to import large numbers of tractors, which made it feasible to expand cultivation of marginal lands, especially on the Anatolian Plateau. Although total production grew rapidly, average yields did not. By about 1970, nearly all arable land was under cultivation.

Cultivation increased primarily at the expense of meadows and grasslands, which diminished from about 46 million hectares in the mid-1920s to about 14 million hectares in the mid-1980s. Although cultivation of the larger area made greater

*Pickers of sultana grapes in
fields east of Izmir,
western Turkey
Courtesy Hermine Dreyfuss*



agricultural production possible over the short run, it created long-term problems for livestock production. It also resulted in the destruction of tree cover and the plowing of marginal fields that were too steep and that received barely sufficient rainfall even in normal years. By the early 1960s, government agents were encouraging farmers to practice contour plowing and to take other measures to minimize erosion, but to little effect. By the late 1970s, more than half the country's land was judged to have serious erosion problems, and some plains regions were experiencing dust-bowl conditions. All of Turkey was affected, with the mountainous eastern provinces hit hardest. Some areas lost all topsoil and could support few plants.

In the 1970s, the government conducted land-use studies and found that more than one-fifth of the land should have been used differently to achieve optimum long-term production. Misuse was greatest in rain-fed cropped fields, but some grazing land and wasteland were found better suited to other uses such as cropping and forestry. Turkey's unusually high proportion of fallow land also limited production; in 1981 the government began encouraging double cropping and the planting of feed crops on fallow fields. The government also was considering a broad land-use policy. However, reform proved difficult because of government inefficiency and the lack of alternative crops in areas cut off from markets, where farmers had little choice but to use their land to grow grain to feed their families. Expansion of the road network, irrigation facilities, and extension services continued to offer hope for eventual improvements in land use.

Land Tenure

From the time of Atatürk, it has been generally recognized that land reform would speed rural development. Most attention focused on land redistribution—a highly charged political issue. People who favored land reform pointed to the higher yield achieved by owner-operators and attacked absentee landlords. Opponents pointed out that land reform would not solve the difficulties of the rural population because there was insufficient land to establish farms large enough to support families. Whatever the merits of land reform proposals, large landowners effectively blocked most action, and governments often lacked the will to implement those measures that were enacted. Moreover, landless peasants continued to migrate to the cities in sufficient numbers to reduce the pressure for reform.

Historically, Turkey has been a land inhabited by independent peasants. The Ottoman state restricted the growth of a landowning class; and in the early years of Ottoman rule, the central government retained ownership of most of the land, which was leased to farmers under relatively secure tenure arrangements. To maintain farms large enough to support a family and a pair of oxen, the Ottomans exempted land from Muslim inheritance policy, a practice subsequently reversed as the state reinstated Islamic inheritance practices, sold land to gain revenues, and authorized land transfers. These changes favored the growth of a class of large landowners during the latter decades of the empire. By 1923 landownership had shifted in favor of a small group with large holdings. However, during the republican period land concentration declined, a development that perhaps reflected the effects of division through inheritance or the attraction of alternative investments. At the same time, the opening of new areas to cultivation made land available to those farmers without holdings.

Because no comprehensive cadastral surveys have been carried out, landownership data are still poor in the mid-1990s, but a general picture of ownership patterns emerges. According to the 1980 agricultural census, about 78 percent of the farms consisted of five hectares or less and together accounted for 60 percent of farmland. About 23 percent of the farms were between five and twenty hectares in size, accounting for another 18 percent of the land. Fewer than 4 percent of the farms covered more than twenty hectares, although these occupied more than 15 percent of the farmland. Few farms exceeded 100 hectares. Although experts believed that landownership was more concentrated than data on farm size implied, it was clear that Turkey had more equal distribution of land than did many other developing countries.

Some observers estimate that, despite widespread leasing and sharecropping, a majority of farms are owner operated. However, tenure patterns vary significantly among regions, reflecting different geographical conditions and historical developments. In general, Islamic inheritance practices, which establish set shares for each male and female child, cause fragmented holdings and make leasing and sharecropping extensive. Joint ownership of land is common, and even very small farms normally consist of several noncontiguous plots. Farmers often rent out some of their own land while leasing or sharecropping other plots in order to till areas reasonably close

together and large enough to support their families. Owners of small plots may rent out their land and work on other farms or in town. Owners of large holdings, sometimes whole villages, usually rent out all or most of their land. Between one-tenth and one-fifth of farmers lease or sharecrop the land they till, and landless rural families also work as farm laborers.

Tenancy arrangements are many and complex. Some leaseholds can be inherited, but many tenants lack sufficient security to make a long-term commitment to the soil they till. Sharecroppers generally receive about half of the crop, with the owner supplying inputs such as seed and fertilizer. Grazing rights are often held by groups rather than individuals. Many villages have common pastures open to the village herd. Cultivated areas have expanded as individuals appropriate village pastureland to grow grains, a process that not only has caused village strife but also has worsened erosion.

After 1950 the commercialization of agriculture accelerated changes in land-use and tenure patterns. Many of the large holdings on the coastal plains of the Aegean Sea and Mediterranean Sea were converted to modern farms, often benefiting from irrigation projects and specializing in high-value fruits, or industrial crops. Landless families supplied the labor for such modern farms, while sharecroppers and owners of small farms tilled the adjacent land. In these more fertile areas, a five-hectare farm might produce as much income as a twenty-hectare farm in the semiarid central Anatolian Plateau. Southeastern Anatolia, one of the poorest regions of Turkey, included feudal-style landlords who controlled entire villages and many landless families.

Although Atatürk had stressed the need for upper and lower limits on landownership, the latter to halt the fragmentation process, little in the way of effective land reform had been carried out by the early 1990s. Nevertheless, more than 3 million hectares had been distributed to landless farmers between the 1920s and 1970, most of it state land.

The problems of land tenure remain, and some have worsened. Many farms are too small to support a family and too fragmented for efficient cultivation. Tenancy arrangements foster neither long-term soil productivity nor the welfare of tenants. In many areas, the rural poor are becoming poorer while land better suited to grazing continues to be converted to grain fields. At the same time, however, many large landholdings have been turned into productive modern farms that con-

tribute to the country's improved agricultural performance. Major irrigation projects in the Euphrates River Valley and elsewhere offer the prospect of increasing the supply of productive land. The declining population growth rate has reduced the pressure for land reform, and industrialization offers an alternative for landless farm workers, who prefer city life to that of rural areas.

Cropping Patterns and Production

Turkey's varied ecology allows farmers to grow many crops, yet the bulk of the arable land and the greater part of the farm population traditionally have been dedicated to producing cereal crops, which supply 70 percent of Turkey's food consumption in terms of calories. As of 1992, cereal crops occupied 12.5 million hectares or more than half of the country's cultivated area. Wheat accounted for about 9 million hectares of this area, and barley for about 3 million hectares. Other grain crops include rye, millet, corn, and rice. Grains are produced in most parts of the country (see fig. 9).

Small or subsistence farmers produce most of Turkey's grain. Because most fields depend on rainfall, production varies considerably from year to year. Farmers traditionally have left grain fields fallow for a year to allow water to accumulate in the soil. Although the government encourages planting soybeans as a secondary crop following the wheat crop, farmers have been slow to adopt the practice. The integration of forage crops into crop rotation and the elimination of fallow periods offer the possibility of increased soil fertility and moisture retention.

Wheat has long been the basic food in the Turkish diet, generally eaten in the form of bread—of which Turkish per capita consumption ranks among the highest in the world. Farmers consume about half of the crop; the other half moves through commercial channels. The Soil Products Office buys up to one-fifth of the crop at support prices, which largely determine the prices for the open market, and handles most imports and exports of grain.

Production increases in the late 1970s turned the country into a wheat exporter. After 1980 the country also imported small amounts of high-quality wheat to improve baked products. Steady increases continued in the 1980s, with wheat production averaging 15 million tons. Even in the drought-stricken 1989 harvest, wheat production totaled 16.2 million

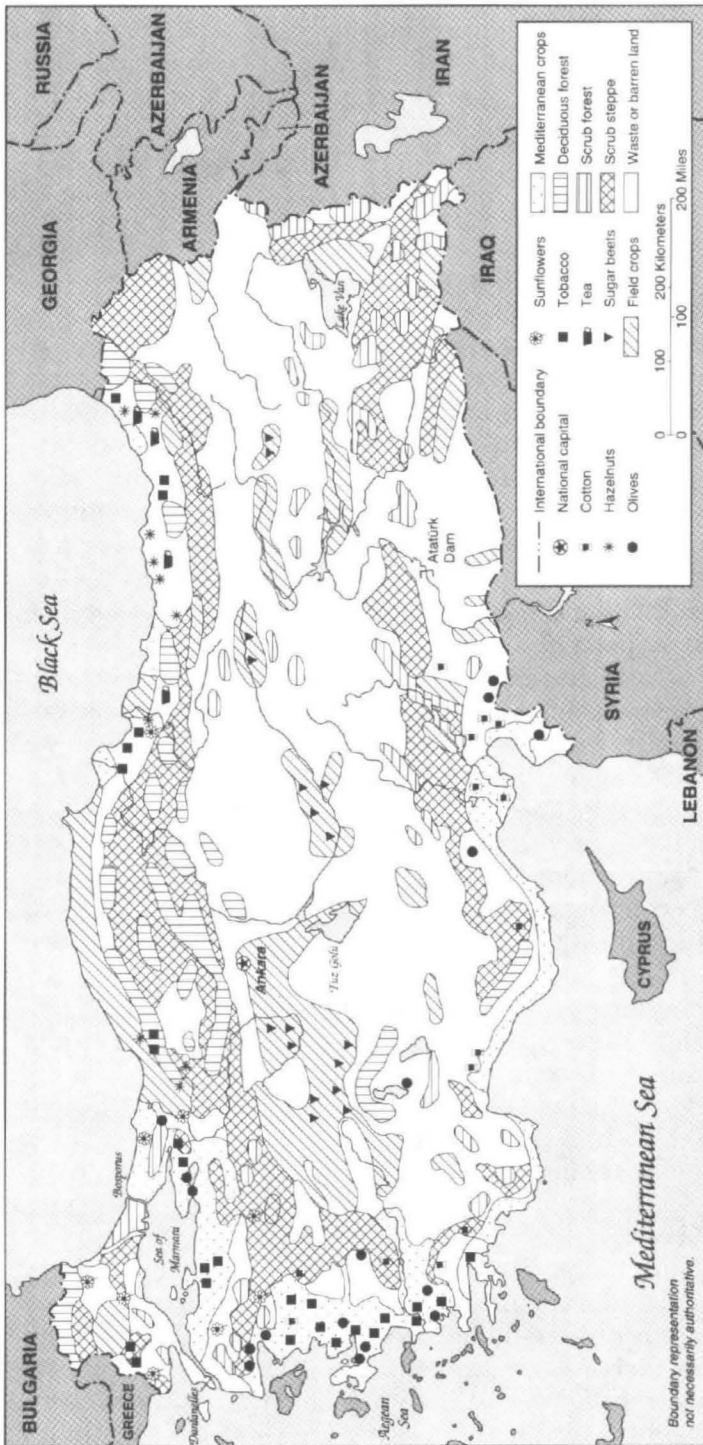


Figure 9. Major Crop Areas and Land Use, 1995

tons. By the early 1990s, wheat production was averaging 20 million tons per year.

Barley production did not rise substantially after the 1960s; crops averaged 6 million tons per year in the 1980s and 7 million tons in the early 1990s. One reason for the slow growth in barley production was a change in dietary habits: whereas barley previously had been a staple food, it came to be used almost exclusively as animal feed or for export. Harvests of corn, which is also used for feed, increased from an average of about 1.1 million tons per year during the 1970s to around 2 million tons per year in the early 1990s (see table 7, Appendix A).

Turkey is the main pulse producer in the Middle East, and pulse output increased dramatically from an annual average of 617,000 tons in the 1970–75 period to more than 1.1 million tons in the 1980–85 period. By the early 1990s, however, pulse output had fallen to about 860,000 tons in 1990 and 610,000 tons in 1992. The country made a major effort to meet the increased demand for dry beans, lentils, and peas in the Middle East, and exported increasing amounts during the 1980s. Nevertheless, declining export demand in the 1990s and better opportunities in raising other crops led to falling output.

Cotton is the major industrial crop in terms of value, supplying seed for vegetable oil and fiber for textiles, a major export. In the 1950s and 1960s, cotton cultivation increased rapidly following the introduction of new varieties and the extension of irrigation. The main cotton areas are on the coastal plains of the south and southwest, where yields have exceeded international averages since the 1950s. Annual output of cotton lint rose from about 145,000 tons in the early 1950s to about 600,000 tons in the early 1990s. Exports averaged 10 percent of production in the early 1990s, having fallen from around 30 percent in the 1980s.

Tobacco is a classic industrial crop, but output rose relatively slowly after World War II, reaching about 200,000 tons per year by the 1980s and 300,000 tons by the early 1990s. European consumers' preference for Virginia tobacco was a factor in the slow expansion, although foreign investment in the domestic tobacco industry in the 1980s spurred production.

Sugar beet production expanded in the 1950s and 1960s, leveling off at a rate sufficient to produce an annual average of 677,000 tons during the first half of the 1970s. The yield met domestic needs and allowed limited exports. Production

jumped sharply, to about 1.5 million tons in 1981, and ended the decade at around 11 million tons in 1989. The annual average in the early 1990s was 14 million tons.

Oilseed cultivation expanded during the 1980s and 1990s, but harvests averaging about 2 million tons in the latter half of the 1980s and early 1990s continued to lag behind consumption, causing Turkey to import vegetable oils. Production of sunflower seeds, the main source of edible oil, declined, and the use of degenerated seed resulted in lower oil production. In 1987 Turkey produced 1.1 million tons of sunflower seeds; by 1992 production had declined to 950,000 tons. Olive production has experienced a two-year cycle with small crops every other year.

Cultivation of opium poppies as a field crop traditionally was fairly extensive in parts of the Anatolian Plateau. The opium gum had cash value, and the plant served villagers as food, forage, and thatch. Official figures showed that during the second half of the 1960s, annual production of opium gum averaged about 110 tons per year. During this period, the crop played an important role in the international illegal drug trade. With the United States pushing for a ban on poppy cultivation, after 1974 the Turkish government strictly controlled poppy harvesting, requiring that the mature pod be removed and processed at a state-run plant. During the first half of the 1990s, the area sown with opium ranged from 7,000 to 19,000 hectares, producing between 3,700 and 13,700 tons of opium pods. Most observers believed that government measures were effective in keeping opium derivatives in legal channels without causing undue hardship to farmers.

During the mid-1990s, cultivation of fruit, nuts, and vegetables contributed nearly 33 percent of the value of crop production, although such cultivation occupied only about 13 percent of cultivated land. Improved export possibilities led to the expansion of fruit and vegetable hectarage during the 1980s and 1990s; in 1991 about 593,000 hectares were devoted to green vegetables, tomatoes, and other produce, of which about 20,000 hectares were grown in greenhouses. Turkey is a major producer of high-quality hazelnuts, despite stiff competition in international markets from rising production in Spain, the United States, and Italy. The annual crop averages 400,000 tons per year, roughly half of which is exported. Turkey is also a major producer and exporter of various fruits, including grapes, sultana raisins, citrus fruits, and melons. Total fruit and

vegetable exports yielded Turkey nearly US\$1 billion per year in the early 1990s.

Livestock

Animal husbandry is an important part of Turkey's agricultural sector and economy. Livestock products, including meat, milk, eggs, wool, and hides, contributed more than 33 percent of the value of agricultural output in the mid-1990s. Sheep and cattle are kept mainly on the grazing lands of Anatolia. Despite growing demand for animal products in Turkey's cities as incomes rose, animal numbers were static in the 1980s and fell in the early 1990s. Although yields were growing, traditional methods kept the livestock industry from achieving its considerable potential. Only 20 percent of cattle, for example, were high-yielding variety breeds. The oil boom in the Persian Gulf, however, led to an expansion of export markets and to major investments in the meat industry of the eastern Turkish towns of Erzurum and Van. In 1992 meat exports totaled US\$140 million; exports, however, were being hurt by the UN embargo on Iraq. Wool is also a significant export. Traditional Turkish sheep varieties produce a coarse wool suitable for carpets and blankets rather than clothing. Merino sheep, which produce a finer wool, have been introduced in the Bursa region.

During the 1950s, officials expected that livestock production would decline as grain cultivation increased at the expense of grazing lands. In fact, the period of most rapid expansion of grain cultivation also saw an upswing in the number of farm animals. One result was overgrazing of grasslands, wasteland, forests, and mountain meadows, which damaged the soil, although not enough to reduce the size of herds. Another result was smaller, less productive animals. Cattle, which process coarse forage less efficiently than sheep and goats, suffered most from the loss of grazing land, but nearly all animals produced less meat and milk and fewer offspring.

Farmers made a modest beginning toward improving livestock production techniques in the 1980s, but traditional practices were hard to change. Even if they have no land, most village families own a few animals. Animals essentially scrounge for an existence, foraging on crop stubble, weeds, and grass on fallow land, and on uncultivable grazing areas. Few farmers integrate livestock production with cropping activities or match feed supply to their animals' requirements. Rural families raise livestock on land that lacks alternative uses, but the system does

not allow the high levels of production necessary to meet the needs of the rapidly expanding population. Moreover, overgrazing has caused environmental damage that is difficult to repair.

Data on the livestock industry are poor but indicative of general trends. Official statistics reveal that recent years have seen changes in the relative roles of various animals in the farm economy. Given Turkish dietary preferences, sheep have relatively high value and increased in number from about 36.8 million head in 1970 to about 40.4 million head in 1992. The number of goats declined during the same period, from about 18.9 million to about 10.7 million because of grazing restrictions in forests and government policies encouraging herd reduction. The use of tractors probably has caused the decline in the number of oxen. Cattle, which have risen in value as farmers strive to meet the growing urban demand for milk, increased in number from about 2.1 million in 1970 to about 11.9 million in 1992.

Livestock output has increased over the years, although less rapidly than demand. In the early 1980s, the country was essentially self-sufficient in milk products, producing about 5.2 million tons per year. By the early 1990s, milk output had doubled, to 10 million tons per year. Annual meat production averaged 660,000 tons per year; this figure, however, represents only an estimate because most slaughtering occurs outside official slaughterhouses. During the 1980s, the price for red meat increased sharply, leading to a fall in domestic meat demand and an increase in poultry consumption. However, meat demand was partially sustained by exports of live animals—some of them smuggled over borders—to Middle Eastern countries, especially Iran and Iraq. The UN embargo on Iraq hurt domestic meat exporters after 1990.

Poultry production expanded rapidly after 1980 and appears capable of rising with demand as incomes increase and diets begin to include animal products. Poultry exports to Iran and Iraq also grew in the 1980s but fell somewhat in the 1990s. Many Turkish poultry operations are small, producing between 5,000 and 10,000 fowl at a time. However, larger, integrated operations have also been established, particularly in urban areas. One, Yupi of Izmir, claims to be one of the largest poultry producers in the world. By 1992 Turkey had 134 million head of poultry, double the number that it had had in 1987.

Forestry and Fisheries

Forestry contributes little to the economy, but it holds potential for future development. In the early 1990s, Turkey's forests covered an estimated 20.2 million hectares, or 201,990 square kilometers (26 percent of the land area). Official statistics indicate that forests have doubled in size since 1950; the figures do not reflect actual growth in forested areas but rather continuing survey efforts and the inclusion of less productive wooded areas under the jurisdiction of the forestry administration. The most productive lumber area is the Black Sea region, followed by central, western, and southern Anatolia, where mostly pine wood is produced. The forests in the eastern part of the country are in poor condition and yield little besides firewood. Many forests are overmature because of poor management and infrequent cutting, and thus only about 20 percent of the total forested area is commercially exploitable.

By the mid-1950s, the state had taken over all forest areas from private owners. Compensation was largely in the form of access to fuel wood at low prices. The one-third of the rural population that lives in or near forests includes many of the country's poorest families. The bulk of their income comes from farming; forest products provide supplemental income and fuel. The main objective of forest management is control of traditional logging and grazing rights; the lack of alternative fuel supplies makes it impossible to stop illegal wood harvests in state forests.

The General Directorate of Forestry in the Ministry of Forestry has assumed responsibility for logging and reforestation operations and for reducing erosion. Whereas wood production has been substantially below potential, partly because of a lack of equipment and roads, reforestation efforts increased Turkey's wooded area by about 2 percent between 1977 and 1981. During the early 1980s, annual wood production averaged 5.2 million cubic meters of lumber. By 1991 production had risen to about 6.5 million cubic meters.

Despite the country's long coastline and large freshwater bodies, fishing is an underdeveloped industry. The Black Sea and the Sea of Marmara constitute the main fishing grounds. The tonnage of the fishing fleet has increased, but in the early 1990s it still included about 7,000 traditional boats, some 1,500 of which lacked motors. The annual catch rose from around 430,000 tons in 1981 to about 625,200 tons in 1988, but

declined to about 365,000 tons in 1991. Frogs' legs, snails, shrimp, and crayfish are exported to Europe.

Industry

Turkish modernizers have long struggled to build an industrial system that would help restore the country's economic power. The import-substitution strategy followed until 1980 was designed to make the country an independent producer of manufactured goods. The result was a striking unfolding of industry, especially between 1950 and 1977, when the sector (including energy and natural resources) grew at an annual average rate of 8.6 percent in real terms, expanding its share of GDP from about 12 percent to about 25 percent. Despite the retrenchment of the early 1980s, the recovery of the industrial sector—which registered an average annual growth rate of 5.9 percent between 1987 and 1992—restored the sector to its pre-1980 proportion of more than 23 percent of GDP in 1993. By the early 1990s, industry was broadly based; the only individual industries accounting for more than 5 percent of industrial output were food processing, petroleum, textiles, and iron and steel.

Under the republic, the Turks have vastly improved their country's infrastructure and have achieved the ability to produce a wide range of products. The country's first factories processed food, such as sugar and flour, and nondurable consumer goods, such as textiles and footwear. Next came intermediate industrial products, including iron and steel, chemicals, cement, and fertilizer. By the end of the 1970s, the country was developing capital goods industries and high-technology products. Production of trucks and buses in cooperation with the West German firm Mercedes-Benz, and of F-16 fighter aircraft with the United States firm General Dynamics, indicated Turkey's industrial ambitions.

The press for rapid industrialization minimized the attention given to efficiency, and excessive protection forestalled competition that would have promoted efficiency; selling in the protected home market was much more attractive than attempting to export. Moreover, the rise of montage industries, which assembled such products as motor vehicles, consumer durables, and electronic goods primarily using imported components, meant that industrial growth required ever more imports. Hence, attempts at import substitution paradoxically tended to aggravate the country's trade balance. The

*Fish vendor on the Bosphorus
Courtesy Hermine Dreyfuss*



*Fisherman mending his
net, Trabzon
Courtesy Hermine Dreyfuss*



capital-intensive nature of many industrial investments, especially those in the intermediate goods sector, caused employment in industry to grow relatively slowly, contributing to structural unemployment. Dependence on imported petroleum made the country highly vulnerable to increases in oil prices.

By the end of the 1970s, industry had reached a turning point. In the short run, the sector needed to overcome shortages of energy, imported machinery, parts, and processing materials that had caused a decline in industrial output during the last years of the decade. In the longer run, to become more efficient and to enable increased exports, the industrial structure had to be adjusted in accordance with the country's comparative advantages. In effect, industry would have to transfer resources out of uncompetitive industries to favor those that could compete in world markets. The difficult adjustment process started during the early 1980s, and substantial progress was made under the Ozal team. Under the new outward-oriented development strategy, as under the old import-substitution policies, industry was to be the leading sector of the economy. Industrial performance—especially in export markets—would determine if that strategy would be successful.

Many of the problems of import substitution had not yet been overcome by the mid-1990s. Much progress had been made in spurring private-sector-led industrialization, particularly in light manufacturing and export promotion, however. Light manufactures and iron and steel accounted for an increasing proportion—and since the 1980s, the majority—of exports. Moreover, foreign investment in the industrial sector, made either directly or through the stock market, had begun to have a positive impact on Turkish industry. However, much of industry was still dominated by the public sector in early 1995, and private-sector companies still depended on crucial inputs from public-sector industries.

Industrial Policy

In line with the shift to an outward-oriented development strategy, in 1980 Turkey's policy makers began to revamp the country's industrial policy. The new policy set forth four related goals for industry: upgrading the role of market signals in decision making, increasing manufacturing exports, enlarging the private share in manufacturing, and reforming the SEEs to reduce inefficiency. In the early 1990s, a fifth goal was

added: privatization of public-sector entities. Policy makers were also concerned with obtaining adequate energy supplies and providing enough work for the growing labor force.

Energy

Turkey is relatively well endowed with energy and mineral resources. The extensive mountainous terrain provides numerous hydroelectric sites, although most are far from the main population and consumption centers. The country also has substantial exploitable lignite resources and small reserves of hard coal, petroleum, and natural gas. Commercially exploitable deposits of many minerals have been located, but the territory has been surveyed only partially. Exploitation of these natural resources has occurred relatively slowly.

The combined demands of industrialization and urbanization nearly tripled energy consumption in the 1960s and 1970s. An inappropriate pricing policy, especially the subsidy of petroleum that led to unduly cheap products, was one cause of shifts in the sources of energy that exacerbated shortages. In 1960 more than half of the primary energy consumed came from noncommercial sources, mainly firewood but also manure and other agricultural wastes. These noncommercial sources, plus domestic coal and lignite, accounted for more than 80 percent of all primary energy consumed; oil supplied only 18 percent. By 1980, in contrast, oil supplied about 47 percent of the primary energy consumed, coal and lignite about 21 percent, hydroelectric power 8 percent, and noncommercial sources such as firewood and animal wastes only 23 percent. By 1992, 43.5 percent of final energy came from petroleum, 31.1 percent from lignite and hard coal, 4.1 percent from hydroelectric power, 6.9 percent from natural gas, and 14.4 percent from other energy sources, including solid fuels, geothermal, solar power, and wind power.

During the 1970s, the demand for electricity began to exceed supply, and by the late 1970s the power gap began to constrain industry. After 1977 rotating blackouts affecting industrial, commercial, and residential consumers were necessary to meet demand. By 1979 the shortage of foreign exchange had so restricted imports of crude oil that fuel for cars, trucks, and tractors had to be rationed. In the mid-1980s, in an attempt to deal with the energy shortage the Özal administration launched the build, operate, and transfer (BOT) system, under which foreign investors would provide the capital

and technology to build plants, operate them for a number of years with guaranteed revenues, and finally transfer the units to the government when the investment had been fully returned. The Atatürk Dam was a major project designed to increase electricity output. Its first two power units came on line in 1992.

Although Turkey's energy resources remained underdeveloped in early 1995, the country had relatively good energy production potential. One estimate places the economically feasible hydroelectric potential at around 29,500 megawatts, which would allow annual production to reach roughly 100,000 gigawatt-hours in years with normal rainfall. Lignite is the second most important potential source of energy, with proven and probable deposits put around 6.4 billion tons. However, Turkish lignite, containing high amounts of water and sulfur, is hard to burn and pollutes the air. Turkey's proven and estimated petroleum stocks are equivalent to about three years' consumption. Proven reserves are estimated at about 16 million tons, and enhanced oil-recovery techniques may allow extraction of another 30 million tons. Proven reserves of natural gas total about 12.4 billion cubic meters, and reserves of hard coal about 1 billion tons. Turkey's geothermal resources are considerable, but they have not yet been systematically explored.

Imports of petroleum averaged more than 15 million tons per year in the early 1980s and increased to about 23 million tons in the early 1990s. Most of Turkey's oil fields are located in southeastern Anatolia near the borders with Iran, Iraq, and Syria (see fig. 10). Because of the country's fractured substrata, deposits are often contained in small pockets, which makes exploration and extraction difficult. In 1985 exploration proved that Turkey has oil deposits at very deep levels, but it was not known how large the deposits might be. Shell Oil determined that oil at Paleozoic levels would be recoverable, and other investigations proved significant deposits in central Anatolia under the salt flats in the plain north of Konya. In 1991 British Petroleum began exploring for oil in offshore areas of the Black Sea. It is also suspected that the Aegean shelf contains considerable petroleum deposits, but as long as relations with Greece remain strained, conflicting claims to the Aegean seabed limit prospects for exploration. To speed up the exploration process, the Turkish government in 1983 eased regulations on such activities by foreign oil companies, allow-

ing them to export 35 percent of production from fields they discovered in Anatolia and 45 percent from offshore fields. Although several foreign concerns started exploration after the liberalization package went into effect, up to the mid-1990s no major finds had been reported.

The state-owned oil company, Turkish Petroleum Corporation (TPAO), Shell Oil, and Mobil control most petroleum output, which had climbed gradually to a peak of 3.6 million tons in 1969 but declined to about 2.1 million tons in 1985 as deposits were depleted (see table 8, Appendix A.). By the early 1990s, output had increased once again to nearly 4.4 million tons. The main petroleum project during the 1980s was an attempt at secondary recovery at the Bati Raman fields in southeastern Anatolia, which were expected to produce roughly 1.5 million tons a year over a twenty-year period.

TPAO stepped up oil exploration efforts at home and abroad in the hope of raising output. But prospects for new domestic finds were endangered by the escalating conflict with Kurdish rebels in southeastern Turkey. Western operators in the area were nervous after a sharp increase in the number of attacks on oil installations. Mobil suspended operations at its 3,200-bpd Selmo field and other small sites after Kurdish attacks on its staff. In the early 1990s, talks were underway on a possible transfer of the Selmo operation to TPAO. Shell Oil's rig near the 25,000-bpd Batman refinery was also hit, although operations there continued. TPAO reported no attacks. Total Turkish production in 1993 of about 78,600 bpd—down from about 84,500 bpd in 1991—met 17 percent of the country's 458,000-bpd needs. The state firm in 1993 pumped about 60,550 bpd, Shell Oil about 14,500 bpd, Mobil about 3,230 bpd, and Aladdin Middle East about 330 bpd. On several aging fields, rising water content has halved productivity. TPAO drilled sixty exploration wells in 1993, only one of which hit oil. In 1994 it planned to drill eighty-one, stepping up work outside the affected southeast. Meanwhile, Mobil was doing seismic work in central and southern Turkey, and Shell Oil and United States Arco were both exploring in the southeast.

TPAO's joint venture in Kazakhstan, which holds seven concessions, should help to increase the company's oil reserves. In addition, preliminary tests in 1993 near Aktyubinsk and Atyrau were promising. It is expected to be several years, however, before the oil or gas reaches Turkey, given the need to work out export routes or an exchange agreement with Russia. Turk-

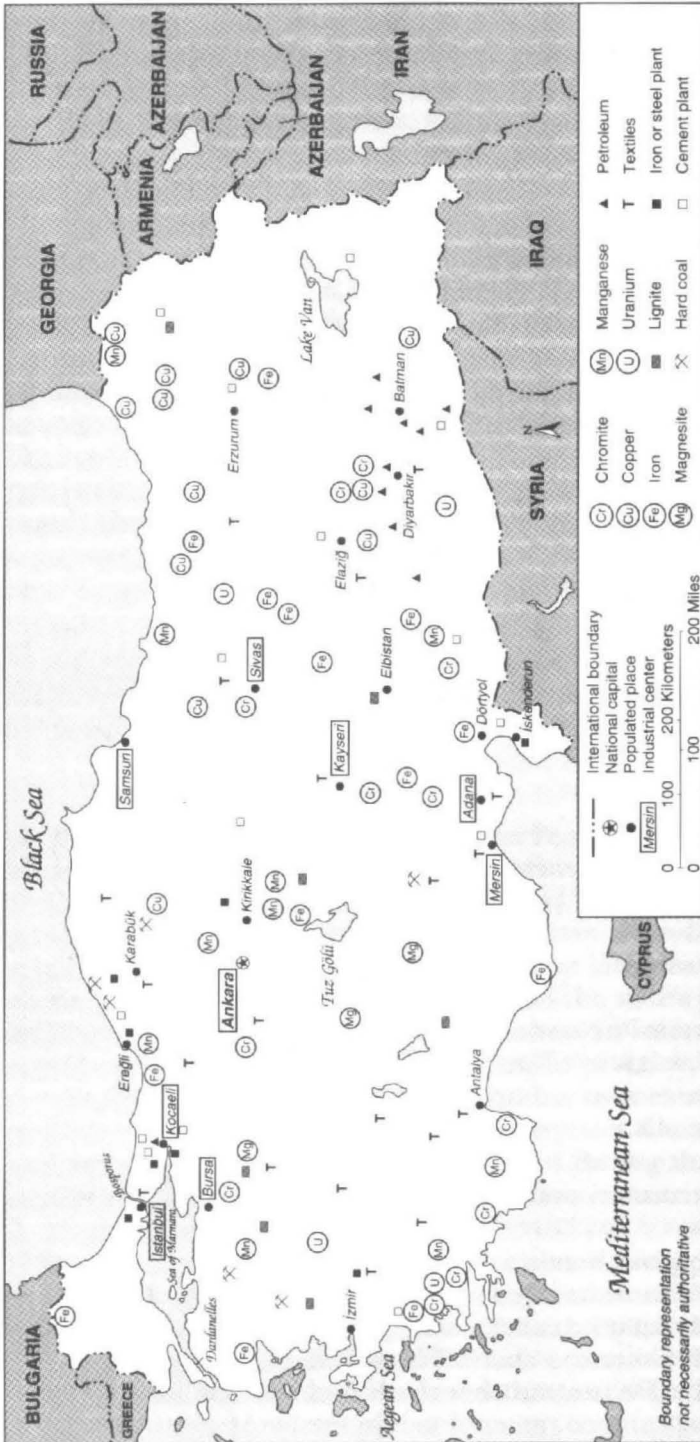


Figure 10. Selected Industries and Minerals, 1995

ish sources are cofinancing the venture with the Kazakh state oil company. The project is TPAO's first major overseas enterprise, although its subsidiary, the Turkish Petroleum International Corporation, holds concessions in Australia, Pakistan, and Egypt.

Five refineries with a total capacity of about 713,000 bpd meet most of the country's need for petroleum products. Until early 1995, about 85 percent of refinery capacity was in public hands in four refineries located at Aliaga near Izmir, Kocaeli, Kirikkale, and Batman. A fifth refinery, jointly owned by Mobil, Shell Oil, British Petroleum, and a Turkish company, is located at Mersin.

In early 1995, Turkey's privatization program appeared to be back on track after a period of wrangling over the legality of the sale of the state refinery company TÜPRAS and the retail company Petrol Ofisi. The sale of part or all of each company is scheduled to take place before the end of 1995.

Petrol Ofisi's 4,000 stations control 56 percent of a domestic gasoline market that since 1987 has grown by an average of 5.5 percent a year to 94,000 bpd. Full privatization is expected by the end of 1995.

A TPAO pipeline extends for nearly 500 kilometers from the oil fields near Batman to Dörtyol on the Mediterranean coast. The corporation also owns and operates the Turkish section of the pipeline from Iraq's Kirkuk fields to a port facility near Dörtyol. This pipeline was enlarged in 1984 to carry 1.1 million bpd, a share of which Turkey purchased at preferential rates. A second, smaller-capacity Kirkuk-Dörtyol pipeline was built in the late 1980s, which increased capacity to 1.5 million bpd. Oil flows through the two pipelines ceased after the UN embargo on Iraq was imposed in 1990. The pipeline cannot be used for domestic oil because according to international law the oil in the pipeline at the time of the embargo must be stored, awaiting UN disposition.

Apart from the country's own oil prospects in the Black Sea, Turkish officials see their nation as a strategic hub bringing oil from Azerbaijan and Kazakhstan to the Mediterranean and connecting Turkmenistan and possibly Iran to the European gas network. Turkish officials have pushed their own brand of pipeline diplomacy, encouraging the nations of Central Asia and the Caucasus—as well as Iran—to cooperate so that they can start exporting their prime resources to the outside world via Turkey.

The Turks are convinced that at least some of the projects eventually will come to fruition, beginning with a projected pipeline to bring Azerbaijani crude to the eastern Mediterranean. In the early 1990s, the governments of Turkey and Azerbaijan officially approved plans for such a line. But a series of obstacles remained to be overcome, including rival pipeline projects that would bypass Turkey, border disputes that would render key intervening areas dangerous, and even a degree of antagonism toward Turkey on the part of some neighboring states. The most immediate challenge was the effort to bring oil from Kazakhstan's Tengiz field to the Russian Black Sea port of Novorossiysk, which would mean an upsurge in tanker traffic not only in the Black Sea, but also in the Bosphorus and Dardanelles. Turkey has opposed this project vehemently but is constrained by international conventions that guarantee passage between the Black and the Mediterranean seas. In some places, the straits are only 800 meters wide, and the Bosphorus bisects Turkey's largest city, Istanbul. The threat to one of the nation's greatest attractions has turned Turkish officials into ardent environmentalists.

Natural gas became important in the 1980s. Gas tapped in Thrace (Trakya, European Turkey) was piped to the Istanbul region and used to produce electricity, thereby reducing the need for energy imports from Bulgaria. In 1986 Turkey began construction of a pipeline to carry Soviet natural gas from the Bulgarian border to Ankara; the line was completed in the late 1980s. In 1990 government officials announced that they also desired to purchase natural gas from Algeria, a move that would help balance Turkey's large purchases from the Soviet Union.

Policy makers in the early 1970s had targeted lignite as the most abundant domestic source of hydrocarbons, and production grew rapidly from an average of about 7.9 million tons for the 1970–75 period to more than 31 million tons in 1985. Mines operated by the state-owned Turkish Lignite Company are responsible for about two-thirds of output; private firms produce the remainder. Production of hard coal is entirely controlled by the government-owned Turkish Coal Company, which suffers from poor management and outmoded technology. Coal production is also hampered by the great depth of the country's deposits. Hard coal output fell from around 6.5 million tons in 1976 to about 3.8 million tons in 1983, and unit costs exceeded those of coal imports. As a result of these

trends, Turkey is beginning to import coal for use in power plants. In 1992 Turkey produced about 12 million tons of coal and imported a net of about 4.2 million tons.

The Turkish Electricity Authority (Türkiye Elektrik Kurumu—TEK) is responsible for most electric power generation and distribution. In Adana the Cukurova Electrical Company produces some electricity privately. In Kepez, a city in Antalya Province, another private company produces electricity. Upgrading of the national distribution grid began in the 1980s, and by 1985 about 70 percent of Turkey's villages were receiving electricity. The Fifth Five-Year Plan (1984–89) called for the completion of village electrification by 1989; by the mid-1990s no village was without electricity.

Demand for electricity has increased rapidly, in large part because of the growth of industry, which consumed more than 56 percent of electricity in 1992. By 1985 thermal plants produced 53 percent of total installed capacity; hydroelectric plants produced the remainder. During the early 1980s, shortages of electricity had to be covered with imports from Bulgaria and the Soviet Union. In 1984 Turkey and the Soviet Union agreed to build a second transmission line that would allow future increases in Soviet electricity deliveries. Although in the 1990s electricity imports meet less than 1 percent of Turkey's needs, the Turks want to be independent of supplies from unreliable neighbors.

Sources for generating such electricity varied. By 1992 electricity generated by coal accounted for 36 percent of total installed capacity, with hydroelectric plants accounting for 40 percent. The rest was generated using petroleum products.

Turkey's chronic energy shortages make development of hydroelectric power imperative. In 1994 the General Directorate of State Hydraulic Works was building or planning to build about 300 hydroelectric plants. The centerpiece of Turkey's ambitious hydroelectric program, the Southeast Anatolia Project, which includes dams on the Tigris and Euphrates rivers, will increase Turkey's irrigable land about 25 percent and its electricity-generating capacity about 45 percent. As of early 1987, the first two of the three large dams in the program (the Keban Dam and the Karakaya Dam, both on the Euphrates, northeast of Malatya) had been built, and the third, the Atatürk Dam, was under construction, completed in 1994. The World Bank refused to help finance the construction of the Atatürk Dam because Turkey had not reached an agreement

on sharing the water of the Euphrates River with Syria and Iraq; Turkey, however, arranged independent financing.

Turkish officials had long discussed the possibility that nuclear power might help the country address its energy problems. During the 1980s, the military government drew up a nuclear energy program and established the Nuclear Power Plants Division of the Turkish Electricity Authority to make feasibility studies and to build nuclear plants. Given Turkey's desire to diversify its energy sources, nuclear power was expected to remain on the agenda. By early 1995, however, no electricity had been generated from nuclear power.

Although Turkey has made a good start at addressing its energy problems, some analysts feel that more attention needs to be paid to conservation and pricing policies to limit the growth of demand. Industry is the major consumer of energy, and industrial consumption is expected to grow rapidly if left unchecked. The most energy-intensive sectors of industry, such as iron and steel, food processing, textiles, mining and nonferrous metals, chemicals, cement, and bricks and ceramics, probably could reduce demand significantly if required to do so. However, the government needs to audit major energy users to discover which could cut back consumption. In addition, a shift in relative energy prices to reflect long-run costs might induce industrial restructuring that would take Turkey's energy endowment into account. Moreover, energy policy makers need to improve management of firewood and agricultural wastes, which continue to play an important role in the rural energy economy.

Mineral Resources

Turkey's most important minerals are chromite, bauxite, and copper. The country also exploits deposits of other minerals such as iron, manganese, lead, zinc, antimony, asbestos, pyrites, sulfur, mercury, and manganese. Mining contributed slightly under 2 percent of GDP in 1992, but the subsector provides the raw material for such key manufacturing industries as iron and steel, aluminum, cement, and fertilizers. Turkey exports a variety of minerals, the most important of which are blister copper, chrome, and boron products. Minerals accounted for an average of about 2 percent of export earnings in the mid-1990s. The public sector dominates mining, accounting for about 75 percent of sales. Etibank, set up in 1935 to develop Turkey's natural resources, manages most of



*Market in Bodrum, in
central Anatolia
Courtesy Hermine Dreyfuss*



*Vendor of simit, the
traditional bread, in
Istanbul
Courtesy Hermine Dreyfuss*

the state's mineral interests, particularly bauxite, boron minerals, chromite, and copper.

Private-sector mining enterprises are generally small, concentrating on lead, zinc, and marble; some operate intermittently depending on market conditions. A 1978 law nationalized all private holdings, but it was only partially implemented before being invalidated by the Constitutional Court. In 1980 the government began to encourage foreign investment, and in 1983 and 1985 mining laws were revised to provide incentives for private investment. Etibank sought to encourage joint ventures with private firms in Turkey and foreign investors. Although some partnerships were struck, mainly for copper production, foreign and private investors in 1995 continued to hesitate to make major investments.

Manufacturing

Turkey's manufacturing industries are diverse and growing. Public-sector entities dominate manufacturing, accounting for

about 40 percent of value added. Private-sector firms are dominated by a number of large conglomerates that have diversified across several industries.

The manufacture of textiles is Turkey's largest industry, very competitive in international markets, and the most important foreign-exchange earner. Domestic cotton and wool provide much of the raw material for the industry, but synthetics production has also expanded. The textile sector contributed 20 percent of total manufacturing output and employed 33 percent of all workers in the mid-1990s. Textiles are produced by factories controlled by the country's largest SEE, Sumerbank, and a number of private firms. Installed capacity is equivalent to around 33 percent of that of the EU in terms of cotton spinning and around 11 percent of EU woolen yarn and textiles. In 1994 Sumerbank was identified as a likely candidate for privatization.

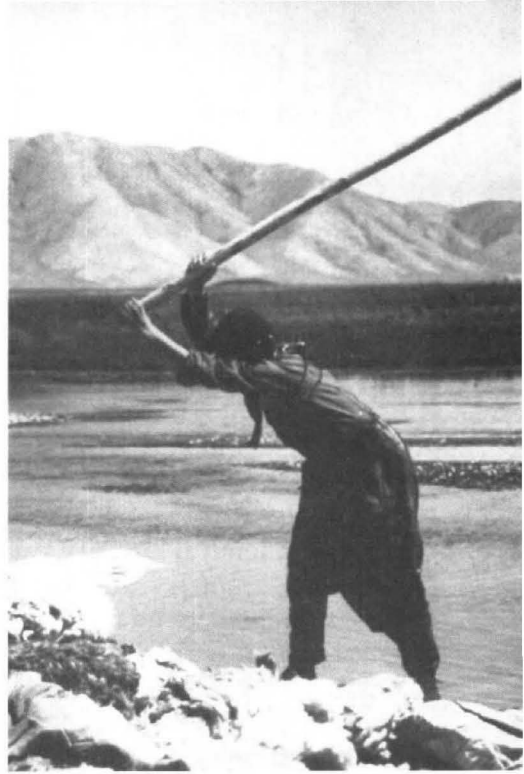
Textile exports grew rapidly after 1980, but protectionism in industrial countries, including the EC nations and the United States, threatened the sector's growth. Nonetheless, between 1987 and 1992 textile export values expanded at an average annual rate of 19 percent. By 1992 textiles accounted for 35 percent of total exports. Investment in increased capacity in the 1980s resulted in increased exports of finished products and ready-made garments. In 1990 the administration of President George Bush increased the quota for United States textile imports from Turkey by 50 percent to compensate for Turkey's economic problems caused by sanctions on Iraq.

Agroprocessing is one of the most dynamic branches of Turkish industry, supplying both domestic and export markets. Main product lines are sugar, flour, processed meat and milk, and fruits and vegetables. Processed food exports grew at an average rate of 8 percent per year between 1987 and 1992, accounting for 9 percent of total exports.

SEEs are the most important producers of intermediate goods, although private firms are also active. The iron and steel sector has become more competitive in adjacent Middle Eastern markets, where Turkey's location is an advantage. However, competitiveness results largely from heavy subsidies to the state companies. Two-thirds of Turkey's steel is produced by three public-sector steel mills, which remain heavily subsidized. Twenty smaller private plants produce steel from arc furnace operations. Public plants include the old and outmoded mill at Karabük, the Eregli works completed in 1965, and the plant at



*Women crocheting lace
edgings on head scarves,
Göreme
Courtesy Hermine Dreyfuss*



*Woman beating and
washing wool near Lake Van
Courtesy Hermine Dreyfuss*

Iskenderun, which was built with Soviet aid and opened in 1975. The overstuffed Iskenderun plant, although the largest and most modern, performs poorly. Private plants, often more profitable than state plants, tend to use scrap as a raw material and to export to neighboring countries. In December 1994, the government indicated that 51.7 percent of the Eregli Iron and Steel Works would be privatized in 1995. This company was cited as one of the most profitable in Turkey, especially after a US\$1.5 billion upgrade designed to raise raw steel capacity by one-third, to about 3 million tons annually.

Capacity use in the iron and steel sector increased rapidly in the 1980s and early 1990s. Total output of crude iron grew from about 3.1 million tons in 1985 to about 4.5 million tons in 1992. Steel ingot output rose from about 7 million tons in 1987 to 10.3 million tons in 1992. The value of exports of iron and steel rose from US\$34 million in 1980 to US\$1.6 billion in 1992. Such exports accounted for around 10 percent of total exports.

The demand for cement also increased in the late 1980s and early 1990s as a result of an upswing in domestic construction stimulated by infrastructure and housing projects. The cement industry consists of a large SEE, the Turkish Cement Corporation, and a number of smaller companies. Until 1970 the country imported most of its cement, but it has since become self-sufficient. Total output increased from 22.7 million tons in 1987 to 28.5 million tons in 1992. Exports of cement, especially to the Middle East, grew rapidly in the early 1980s because of the construction boom in that region.

The chemical industry, one of the country's largest in terms of value, is concentrated in a few large state enterprises, including the Petrochemical Corporation (Petrokimya Anonimsirketi—Petkim) and Etibank, and some 600 private enterprises. Chemicals produced in Turkey include boron products, caustic soda, chlorine, industrial chemicals, and sodium phosphates. The high quality of the country's minerals gives it a comparative advantage in several products. Chemical exports increased during the second half of the 1980s but fell sharply in the early 1990s, mainly because of increasing competition and lower prices elsewhere. In the late 1980s, petrochemical production, dominated by Petkim, started with a complex at Yarmica, near Kocaeli, followed by a second at Aliaga, near Izmir. The complex includes twelve plants, seven subplants, a thermal power station, and a water supply dam. These plants supply small private-sector plants, which in turn manufacture finished products. The sector's goal is to make the country self-sufficient in petrochemicals rather than to export. In 1992 Turkey produced about 144,000 tons of polyvinyl chloride, about 238,000 tons of polyethylene, about 85,000 tons of benzene, and about 32,000 tons of carbon black.

Turkey's automobile industry, established in the mid-1960s, was gradually exposed to imports after 1980. Although the sector recovered from low production levels after 1983, domestic producers remain weak. Industry observers believe that Turkey's automobile makers are too numerous and too inefficient, but market prospects appear fairly favorable because of the low per capita ownership of cars. Car output rose from about 55,000 units in 1985 to about 300,000 units in 1993. Including trucks, buses, and tractors, Turkey produced about 345,000 units in 1992. Some 60,000 vehicles were imported in that year, a figure that should increase in the near future if Turkey gains

entrance into the European customs union. Turkish producers benefit from a 20 percent tariff on foreign imports.

The Turkish automobile industry in 1995 consisted of three producers, each affiliated with a foreign manufacturer: Tofas, which assembles Fiat passenger cars; Oyak-Renault, which assembles Renaults; and General Motors, builder of Opel Vectras. Toyota in partnership with local conglomerate Sabancı Holding completed a plant in 1994 designed to produce 100,000 cars per year, and a Hyundai factory that would produce 100,000 units is scheduled to open in 1996.

Construction

Turkey has several relatively large, internationally competitive construction firms, some of which specialize in particular types of projects such as dam or pipeline construction. During the late 1970s and early 1980s, domestic demand was relatively weak, but Turkish firms were quite successful at selling their services abroad, especially in the oil-producing states of the Middle East. However, by the mid-1980s construction projects in the Middle East had slowed down because of falling oil prices. Fortunately, Turkey's major infrastructure program and housing projects saved contracting firms from financial ruin. For example, the establishment of the Mass Housing Fund in the 1980s offered opportunities to Turkish contractors. A number of large infrastructure projects—particularly the GAP and the construction of state highways—provided enormous contracts for local builders. With the demise of the Soviet Union, Turkish contractors set their sights on Central Asia and Russia, with estimates of potential business in this region around US\$700 million. The end of the Iran-Iraq War in 1988 also promised new opportunities for Turkish contractors; however, the Iraqi invasion of Kuwait and subsequent Persian Gulf War damaged such hopes. Contractors estimated their combined losses as a result of the crisis at US\$800 million. Nonetheless, the external market accounted for a substantial portion of the industry's revenues. At the end of 1992, Turkish contractors had contracts worth US\$20.6 billion; Libya accounted for US\$10.3 billion, Saudi Arabia US\$5.4 billion, and the republics of the former Soviet Union US\$1 billion.

Policy makers have made housing—perhaps the most deficient sector of the economy—a priority. The combination of rapid population growth and high rates of urbanization has overwhelmed available housing. In the mid-1980s, perhaps

more than half of the inhabitants of urban centers lived in shanties lacking sewers, water, and electricity. According to a tradition dating back to Ottoman rule, shelters built overnight had been tolerated by the authorities. These shanties, or *gecekondus* (see Glossary), had been a problem since the 1950s. In the early 1980s, the government took several steps to improve the housing situation. A law was passed transferring ownership of existing *gecekondus* to their inhabitants but declaring that any new structures would be destroyed. In addition, a housing fund, set up in 1984 and financed by a tax on tobacco, liquor, and luxury imports, offered financing for the construction of up to 100,000 houses a year. Monies could be used to improve existing *gecekondus* or for new construction and could be lent to homeowners, cooperative associations, or contractors. Analysts believed it unlikely that the fund would grow fast enough to eliminate the *gecekondus*, although it might stem their proliferation.

Services

After seventy years of development, the services sector has grown to account for more than half of the labor force but nevertheless remains relatively unproductive. In addition to traditional enterprises, services include modern activities such as banking and engineering. The development of government services has been significant, but the state has paid little attention to increasing the efficiency of private-sector service enterprises. Services have traditionally produced only a small fraction of exports; however, after 1980 the government encouraged development of service earnings and allowed foreign enterprises to enter previously protected markets such as those in finance.

Banking and Finance

The government, banks, and industry form a complex system through which legislation and government policies direct credit flows. Most state-owned banks were established to finance particular industries, whereas private banks generally have intimate connections with large industrial groups. The Central Bank of Turkey often provides credit to other banks at negative real interest rates. Banks, in turn, funnel credit to industries or groups they serve. The amounts available to particular sectors of the economy thus depend largely on the



*Man making brooms,
Trabzon
Courtesy Hermine Dreyfuss*



*Rug vendor displaying his
wares, central Anatolia
Courtesy Hermine Dreyfuss*

resources available to the institutions for that sector, rather than on market assessments.

The Central Bank set up a system of quarterly reporting in the mid-1980s, enabling timely warning of banks in difficulties. This reform was a start toward making banking more transparent, but it is still difficult to assess the condition of the banks. Strong political pressures to keep weak industries and groups afloat during the adjustment period make it likely that several years will pass before standard accounting rules can be systematically applied. Legislation introduced in 1993 sought to bring the Turkish banking sector into line with European standards on capital adequacy and other prudential ratios. However, in December 1993, the Constitutional Court blocked this legislation because the executive had enacted it without approval of the legislature. No further action had occurred as of early 1995.

Despite some setbacks, the government's new policies have effected rapid changes in the financial sector. The banking system in early 1995 consisted of the Central Bank and fifty-eight banks, including twenty-one foreign banks, divided between Ankara, where most state-owned banks are located, and Istanbul, the center for most privately owned banks. Turkey also had three state investment and development banks. The Development Bank is funded from the Treasury and invests in the private sector. The Export Credit Bank of Turkey (Türkiye İhracat Kredi Bankası) provides export finance. The Municipalities Bank (İller Bankası) supports local institutions. In 1995 nine merchant banks also operated in Turkey, six domestically owned and three foreign owned.

The Central Bank, founded in the early 1930s, has the usual central bank responsibilities, such as issuing banknotes, protecting the currency, and regulating the banking system and credit. The Central Bank also finances the government's budget deficits and makes loans to public and private banks. Starting in 1983, however, the Central Bank began to reduce lending and stepped up its supervisory functions.

Six of Turkey's commercial banks are in the public sector, and twenty-one are partly or wholly foreign owned. Of the banking sector's assets, 46 percent are concentrated in four banks: the oldest and largest public bank, the Agricultural Bank of the Republic of Turkey (Türkiye Cumhuriyet Ziraat Bankası—TCZB); the Real Estate Bank (Türkiye Emlâk Bankası As); and two private banks, İsbank and Akbank TAS. The

TCZB has many branches in rural areas, a strong deposit base, and favored access to state credits, which it uses partly for the agricultural commodity price-support program. After 1983 the TCZB was forced to take over other banks that had failed, a move that reduced earnings.

Much as in Germany and Japan, the major private banks are closely linked to industrial groups. Yapi ve Kredi Bankası, Pamukbank, and Interbank are owned by the Cukurova Group conglomerate. Akbank, reputed to be the most profitable private bank in Turkey, is owned by the Sabancı Group. Partially publicly traded Kocbank is owned by the Koç Holding Company. Tütünbank is owned by the Yasar Holding Corporation.

Before 1980 there were only four foreign banks in Turkey, but their numbers grew rapidly during the 1980s as the government liberalized conditions. Several joint ventures were created in the 1980s, as well as two Islamic banks specializing in trade finance.

Private banks remain the most vulnerable sector of the banking system because the public banks enjoy de facto state guarantees. During the 1980s, most private banks engaged in trade financing or in sales of state bonds because investment activity was depressed. The largest private banks maintained their ties to Turkey's major corporations despite a 1983 banking law enacted to discourage such links. Although a few private banks were able to eliminate nonperforming loans, many remained vulnerable to their customers' difficulties. By 1986 private-bank balance sheets began to improve, as several years of high-interest earnings made it possible for banks to write off bad loans.

Although the government, public enterprises, and private undertakings increased their use of stocks and bonds after 1970, capital markets remained underdeveloped in the 1970s. After the passing of the Capital Markets Law in 1982, a Capital Markets Board was established to issue regulations for institutions marketing bonds and other financial instruments. Most Turkish corporations were closely held and tended to finance expansion through their own funds from their small circles of stockholders. But in the 1980s, companies were allowed to issue profit-and-loss-sharing certificates with liability limited to the face value of the certificate. The Özal administration also took steps to revive Istanbul's stock market, which had closed down in the late 1970s. The Istanbul Stock Exchange (ISE) reopened in December 1985. With the rise of "emerging mar-

ket” funds, trading on the ISE expanded rapidly in the early 1990s; indeed, it was the best performing of any market in 1993. Foreign investment accounted for 25 percent of the daily trading volume. In early 1994, however, the stock market crashed in the wake of the currency and balance of payments crisis. Plans for privatization of SEEs were expected to revive the stock market, if foreign investment and confidence in the government's attempts to stabilize the macroeconomic situation increased.

Government securities are quite liquid in secondary markets; this has been true especially since the Treasury began issuing T-bills in 1986 and an interbank market was established in 1987. Government T-bill issues jumped in the early 1990s as the budget deficit exploded. In 1986 the public snapped up revenue-sharing certificates used to finance the Keban hydroelectric project on the Euphrates; the Oymapınar Dam, also on the Euphrates south of Malatya; and a second bridge across the Bosphorus. Such certificates were popular, in part because they conformed to Islamic strictures prohibiting interest. Low returns discouraged the government from using such certificates in the 1990s.

Transportation and Telecommunications

Under the Ottomans, foreign companies constructed the portion of the Berlin-to-Baghdad railroad that crossed Turkey, as well as a few other lines used mostly for mining development and the export of agricultural products. Atatürk and the nationalists took an active interest in the development of the railroad system for strategic reasons, setting up the Turkish Republic State Railways (Türkiye Cumhuriyeti Devlet Demiryolları İşletmesi Genel Müdürlüğü—TCDD) in 1920. The nationalists set two priorities for railroad development: extending lines to major areas, such as eastern Anatolia and the new capital at Ankara, and buying out foreign railroad interests. The TCDD invested large sums during its first two decades, bringing all railroads under state control by 1948 and increasing track lengths from 4,018 kilometers in 1923 to 7,324 kilometers in 1950. By 1950 the rail system linked the major areas and accounted for about three-quarters of surface freight traffic.

After 1950 the railroads received only small investments and insufficient maintenance because of increasing emphasis on road transport. By the 1970s, the tracks and rolling stock were

in poor condition and the TCDD was running chronic deficits, partly because of its low rate structure. In the 1970s, as mining expanded to support the metalworking and fuel industries, the railroads received additional funds to expand and upgrade service.

Between 1985 and 1992, the rail network grew modestly, from 8,193 kilometers of track to 8,430 kilometers. Almost all rail was single-tracked and nonelectrified. Although rail lines linked most important cities, there were few cross connections between lines, and routes were often circuitous. Passengers preferred other means of transport because the railroads were slow and unsafe; in 1982 there were 210 train collisions and 737 derailments. As a result of increased use of trucks, the railroads carried only one-quarter of surface freight, mostly long-haul bulk commodities.

After World War II, transportation development concentrated on the road system. As a result, by early 1995 Turkey had nearly 59,770 kilometers of all-weather highways, of which about 27,000 kilometers were paved. There were also some 308,000 kilometers of gravel and earth roads in rural areas. The government planned to build 3,000 additional kilometers by the year 2000 and to upgrade existing roads.

The Özal administration in the early 1980s began a major project that was expected to result in highways that would traverse the country, making it possible for Turkey to handle increased levels of freight between Europe and the Middle East. This project, along with the second bridge across the Bosphorus, would form a 3,600-kilometer link in a 10,000-kilometer trans-European highway going from Gdansk on the Baltic Sea to cities on the Caspian Sea and the Persian Gulf.

Several road and highway improvements were underway in the mid-1990s. The four-lane highway linking Ankara, Istanbul, and Edirne is complete except for a thirty-kilometer stretch under construction west of Bolu (see fig. 11). Another four-lane highway in the southeast, designed to link Gaziantep with Mersin via Adana, lacks about eighty kilometers west of Gaziantep. Another offshoot of this highway that would connect with Iskenderun via Dörtyol is under construction. Other highways in the planning stage include improved links between Iskenderun and Antalya, Ankara and Adana, and Istanbul and Izmir. Additional highways are needed because traffic is extremely dense around major cities in western Anatolia, creat-

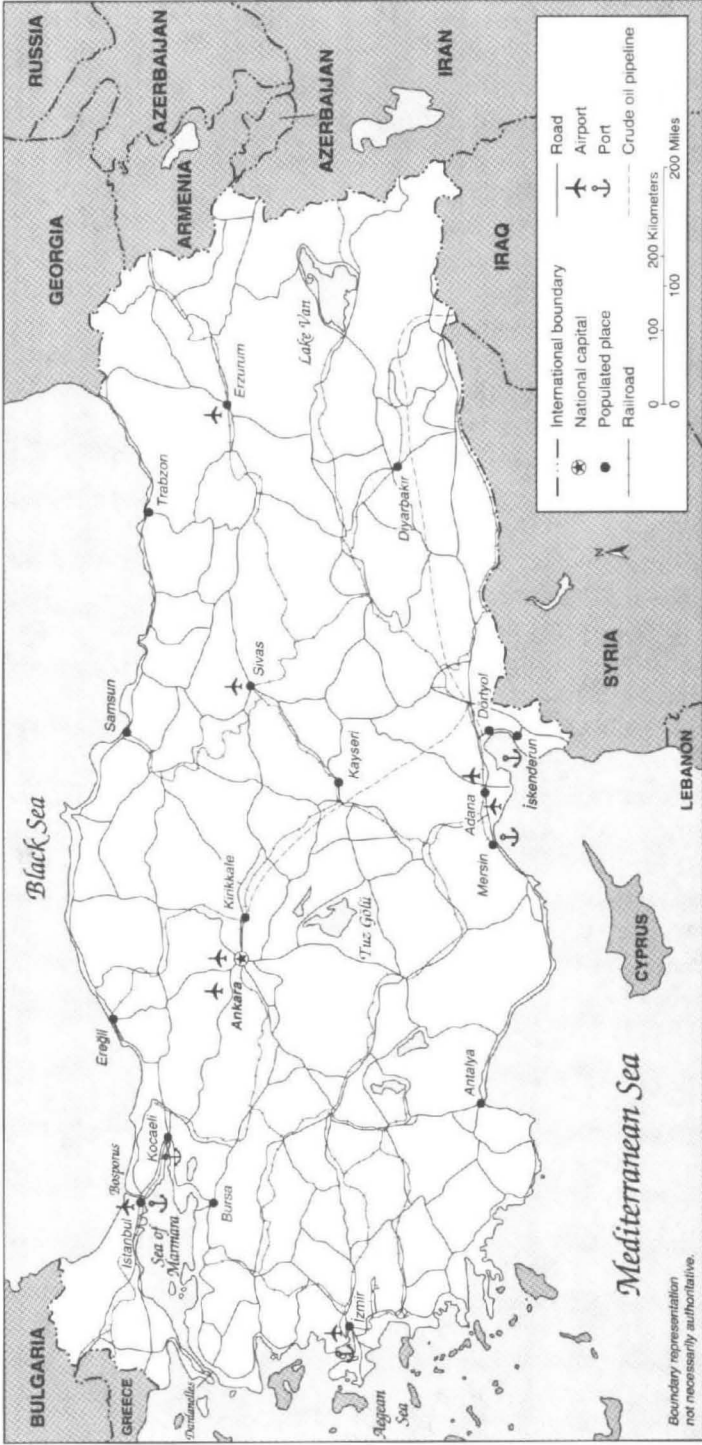


Figure 11. Transportation System and Crude Oil Pipeline, 1995

ing frequent traffic jams and contributing to a high accident rate.

Truck transport of surface freight increased from about 25 percent of the total of such freight in 1950 to more than 75 percent by the mid-1980s. According to one source, in 1984 trucks carried about 40 percent of exports by tonnage. As the oil boom hit the Persian Gulf states and imports clogged their ports during the mid-1970s, heavy truck traffic passed through Turkey. By 1985, however, transit traffic had fallen off somewhat as a result of the fall in demand from oil-exporting countries and a cutback on purchases by Iran and Iraq. The end of the Iran-Iraq War modestly helped revive transit traffic, which was disrupted again by the 1990 Iraqi invasion of Kuwait and the resulting UN embargo. In the mid-1990s, goods moved by truck accounted for 27 percent of total export tonnage.

Shipping is much less important than land transport, but capacity expanded rapidly in the early 1990s. The Özal administration encouraged the growth of Turkey's merchant marine by granting tax rebates to companies registering their ships under the Turkish flag. As a result, the fleet grew from about 1.7 million gross registered tons (GRT) in 1975 to about 2.5 million GRT in 1983. In 1990 the merchant marine's 2,996 cargo ships had a combined capacity of about 3.8 million GRT. A large number of these ships were owned by the Maritime Bank (Denizcilik Bankası) and Deniz Nakliyatı, a large private company. In the 1980s and early 1990s, private cargo lines expanded rapidly. Aside from the ferry across Lake Van, internal shipping is insignificant because few of Turkey's rivers are navigable.

Five ports handle the bulk of the country's sea freight. Istanbul is the most important port, followed by Mersin, Izmir, Iskenderun, and Kocaeli. There are also many small ports along the country's extensive coastline; coastal shipping is substantial, particularly of such bulk commodities as coal and iron ore. Cargo handling is slow and storage limited, however. The main oil terminals near Iskenderun handle both domestic and Iraqi crude. In 1992 ships brought 60 million tons of cargo to Turkey; 26 million tons were exported by sea.

Turkey has 105 usable airports, sixty-nine of which have paved runways. Turkish Airlines (Türk Hava Yolları—THY), plagued by a poor safety record in the 1970s, fought its way back to profitability during the 1980s, although heavy capital expenditures in the 1990s put it back in the red. By 1995 it was

a prime candidate for partial privatization, which was expected to net the government US\$300 million. By 1985 Turkish Airlines was serving thirty-six international and sixteen domestic destinations with a fleet that had been recently augmented by the purchase of several Airbus Industrie A-310 passenger aircraft. Much of the company's international business involves serving the many Turks who work in Europe and the Middle East. Domestic flights are popular because surface travel between major cities is time consuming; THY's domestic services probably will be further upgraded. In 1992 the total number of passengers carried to, from, or within Turkey on all airlines landing in Turkey reached about 13.8 million (about 2.8 million domestic and 11 million international); the domestic carrier transported about 2.4 million passengers within Turkey and about 1.7 million international passengers. Private airlines entered the market in the 1980s; Istanbul Airlines and Green Air handle both domestic and foreign routes.

Turkey's archaic telecommunications system, which had long been overloaded, received expanded domestic and international lines in the 1980s and early 1990s. Until the 1980s, more than half of Turkey's villages lacked telephone connections, and customers had to wait years to get telephones installed. In the early 1980s, authorities designed a program to eliminate the waiting list for telephones; make service available to all of the country's settlements; and install countrywide automatic dialing, a new telex system, and a connection with the European telecommunications satellite. The number of telephones increased from about 351,000 in 1966 to an estimated 7.96 million by the end of 1991.

The Turkish Radio-Television Corporation (Türkiye Radyo-Televizyon Kurumu—TRT) has flagship radio stations in Ankara and Istanbul, with subsidiary networks in fifteen other urban centers. Frequency modulation (FM) transmitters are located in ten cities, including Ankara and Istanbul. In addition to Turkish, broadcasts are made in Albanian, Arabic, Azerbaijani, Bulgarian, Chinese, English, French, German, Greek, Hungarian, Persian, Romanian, Serbo-Croatian, and Urdu. Turkish television has two main channels that reach more than forty population centers. The Istanbul area has three additional channels. In early 1995, the Turkish population had some 8.8 million radios and some 10.53 million television sets.

Tourism

Turkey's long and varied sea coast, high mountains and lakes, and its many historical, religious, and archaeological sites (possibly including more Greek ruins than survive in Greece) give the country unrivaled tourist potential. Until the 1980s, Turkish tourism lagged far behind its counterparts in other Mediterranean countries, and visitors tended to stay for shorter periods of time and spend less money than in countries such as Spain, Portugal, and Greece. The Özal government's promotion of tourism in the 1980s led to dramatic change. The number of visitors grew rapidly during the 1980s and early 1990s, and Turkey was able to appeal to tourists from many different countries. Including business travelers, Turkey hosted about 1.3 million visitors in 1983 and 2.1 million in 1984, whereas Greece during the same period received at least 6 million and Spain 40 million visitors annually. By 1987 visits to Turkey had increased to about 2.9 million, and by 1992 close to 7 million.

In the early 1980s, most tourists came from European countries, especially Greece and West Germany, but the number of Middle Eastern tourists also increased. Even in the late 1980s, however, European tourists accounted for nearly 61 percent of total arrivals. By 1992 the European proportion had fallen to 45 percent. The largest increase was registered in tourists from the republics of the former Soviet Union. By 1992 they accounted for 43 percent of tourists, whereas the Middle Eastern share had shrunk from 11 percent to 8 percent.

Regional origin is a good predictor of the type of tourism and destination. Middle-class Turks, who started to take vacations in the early 1980s, usually prefer the beach resorts on the Aegean and Mediterranean seas. Tourists from Western Europe, Israel, and the United States tend to visit beaches and historical sites. East European tourists, particularly from the former Soviet Union, typically come to Istanbul or Black Sea towns to shop or barter goods. Tourists from Iran and other Middle Eastern countries generally take longer holidays in Istanbul and Bursa, also coming to shop in Turkey.

Although tourism earnings reached US\$770 million in 1985 and jumped to US\$3.6 billion by 1992, the industry has been plagued by political, economic, and environmental problems. The fallout from the nuclear power plant disaster at Chernobyl in the Soviet Union, terrorist attacks by Kurdish insurgents, and economic problems in Europe and the Middle East have tended to discourage tourism. Turkey has attempted to over-

come these impediments by improving domestic services. The number of beds for visitors rose from about 49,000 in 1980 to about 206,000 in 1992, for example. The total will probably reach 600,000 by the end of the 1990s. One important effort, the South Antalya Project, involves transforming a seventy-four-kilometer stretch of Mediterranean beaches into a base for resort villages. Istanbul, the main tourist center, still lacks sufficient beds, however, and there is a tendency to concentrate on luxury hotels that are too expensive for middle-class tourists. Nevertheless, the mid-1990s saw a noticeable improvement in the average spending per day by tourists: US\$141 compared with the world average of US\$70-US\$100. Shopping tours helped raise the average significantly.

Foreign Economic Relations

Foreign Trade

Trade played a minor role in the economy until 1980 but grew rapidly thereafter, the sum of exports and imports reaching about 49 percent of GNP by 1985. By 1994 this total had fallen somewhat, to 42 percent of GNP. The trend toward increased trade had begun in the 1970s as imports increased—primarily as a result of the rise in oil prices—and limited incentives for exports were implemented. The turning point came after 1980, when a realistic exchange rate, strict monetary policy, and efforts to strengthen bilateral cooperation with the country's trading partners led to sharply increased exports. Improvements in the balance of trade, in turn, allowed gradual liberalization of the import regime.

Turkey's trade policy traditionally has been subordinate to the country's statist development strategy. The demand for imports historically has exceeded the country's supply of foreign currency, forcing the government to set up extensive controls to mobilize foreign exchange for products deemed essential for investment or production. As Turkish industry developed, the proportion of finished goods declined as a share of imports. Despite liberalization of import regulations after 1980, in the mid-1990s petroleum, machinery, and industrial raw materials continued to account for the bulk of Turkish imports.

Turkey's export performance since 1980 has been particularly striking. Traditionally, Turkey has exported agricultural products and minerals. As of 1980, total merchandise exports



*Old and new forms of transportation: cattle-drawn wagon in central Anatolia and modern vehicle in Istanbul
Courtesy Hermine Dreyfuss*



amounted to about US\$2.9 billion, or 5 percent of GNP, of which 58 percent was agricultural products, 22 percent processed agricultural products and textiles, and 6.5 percent mineral products. By 1992, when exports reached 17 percent of GNP, the share of processed and manufactured products had risen to 82 percent, whereas the share of agricultural exports had declined to 15.0 percent and that of minerals to 1.7 percent (see table 9, Appendix A). The shift in the structure of exports resulted largely from the trend toward domestic processing of agricultural products before exportation, which caused them to be reclassified as industrial exports. Textile exports also increased during the 1980s, becoming twice as important as agricultural exports by 1992. Observers had expected that limitations on textile imports implemented by industrialized countries would hamper growth in textile exports during the late 1980s, but special concessions by the United States in 1990—related to compensation for Turkey's effort in the Persian Gulf crisis—helped open export markets even further. Industrial diversification has enabled Turkey to export a wide range of products, including rubber, plastics, petroleum products, glass, ceramics, and cement.

Turkey's trade is largely with Organisation for Economic Cooperation and Development (OECD) members, particularly the European countries, notwithstanding a sharp upswing in trade with Middle Eastern oil-producing countries in the early 1980s. Exports to the EC increased from 35 percent of total exports in 1950 to almost 45 percent in 1992, while imports from the EC grew from 33 percent to about 40 percent during the same period. Turkey's most important trading partner, Germany, accounted for 15 percent of imports and 24 percent of exports in 1993. Trade with Middle Eastern countries increased considerably after 1970, partly as a result of Turkey's increased expenditures for petroleum imports, and peaked in 1982 at 45 percent of total trade, declining to about 15 percent by the early 1990s. Turkey's commerce with Iran and Iraq was important because they bought food and other products and provided petroleum to Turkey in exchange (see table 10, Appendix A). Turkey remained neutral in the Iran-Iraq War, hoping for further improvement in trade when the two countries made peace. The embargo on Iraq after its invasion of Kuwait dramatically reduced Turkish-Iraqi trade. In 1988 Turkey sent 8.8 percent of its exports to Iraq and bought 10 per-

cent of its imports from that country. Trade between the two countries was almost nonexistent in 1994.

Trade with the United States was much greater in the 1950s and 1960s than in the 1970s and 1980s. In 1992 imports from the United States constituted a little over 11 percent of Turkey's total imports, but exports to the United States represented only 6 percent of Turkey's exports (see table 11, Appendix A). Although trade with the Soviet Union began in the 1930s and the Soviet Union supplied much aid, in 1992 imports from the former Soviet Union constituted less than 1 percent of Turkey's imports, while exports were about 5 percent of the total. Historically, trade with the Soviet Union and Eastern Europe had increased to more than 10 percent of total trade during periods, such as the late 1970s, when Turkey experienced balance of payments difficulties.

After 1980 Turkey shifted its emphasis in trade policy from strictly limiting imports to actively encouraging exports. In March 1985, Turkey signed the General Agreement on Tariffs and Trade (GATT), which committed the country to abolishing most export subsidies over a three-year period. In January 1993, in accordance with its commitments under the GATT agreement, Turkey consolidated and reduced most import charges.

Turkey and the EC entered into an association agreement on December 1, 1964, with the aim of full membership for Turkey after the implementation of a customs union, which the Turkish government hoped would occur in 1995. Turkey's record in meeting the European body's tariff-reduction schedule has undergone several permutations. It was adhered to until 1976, when it was abandoned, only to be reinstated in December 1987. Several Turkish industries—in particular the automobile industry—fear total integration, whereas the EU in the mid-1990s fears the competitive strength of the Turkish textile industry.

Balance of Payments

Throughout the twentieth century, Turkey has suffered from a shortage of foreign exchange, a problem that has continued despite the improved export performance of the 1980s and the early 1990s. During the 1950–80 period, three balance of payments crises followed periods of rapid economic growth. After the crisis of the late 1950s, brought on by inflationary financial policies and excessive use of short-term commercial

credits, Turkey received substantial aid from an OECD consortium, and the country's external debt had to be rescheduled. The foreign-exchange shortage of the 1960s was less the result of inflation than of increased demand for imports. The 1970 devaluation, along with increased workers' remittances during the early 1970s, sufficed to overcome the problem. Turkey's improved balance of payments status during the first half of the 1970s allowed the government to resort to foreign borrowing to finance rapid economic growth. However, the 1970 devaluation, government deficits, and the 1973 oil price increase worsened inflation. After 1976 Turkey tried several reform packages, none of which effectively addressed the underlying causes of the deficits. In 1979 Turkey's creditors had to reschedule some US\$14 billion in debt in an arrangement that delayed repayments of principal for five years.

The policy package introduced after 1980 enabled growth to resume, largely by improving the balance of trade. Exports grew at an annual average rate of more than 20 percent from 1980 to 1985, much more rapidly than imports, reducing the trade deficit from more than US\$4.6 billion in 1980 to an average of slightly less than US\$3 billion a year from 1983 to 1985. Nevertheless, Turkey's merchandise trade balance remained in deficit because of continued high levels of imports.

In 1993–94, Turkey experienced its fourth major balance of payments crisis in the past forty years, despite a decade of reforms and structural adjustment. An expansionist fiscal and monetary policy had led to a sharp deterioration in the trade balance in 1993 as imports soared to US\$29 billion, while exports lagged sharply behind at US\$15.6 billion (see table 12, Appendix A). A draconian adjustment program accompanied by an IMF standby agreement helped sharply reduce imports in 1994, but the trade deficit remained around US\$4 billion and was projected at about the same level for 1995.

Economic reforms had strengthened the services account of the balance of payments in the 1980s, although this increase was insufficient to offset the periodic deterioration of the trade account in the 1990s. Meanwhile, remittances from Turkish workers abroad remained an important source of foreign exchange. Remittances averaged roughly US\$2 billion annually from 1980 to 1985 but fell during that period from a peak of almost US\$2.5 billion in 1981 to US\$1.7 billion in 1985. In the late 1980s, they once again recovered, reaching a level of US\$3 billion during the first half of the 1990s. The flow of remit-

tances through legal channels is very sensitive to the real exchange rate and to foreign-exchange regulations.

Tourism was a relatively small source of services income until 1985 when earnings jumped to US\$770 million, reaching around US\$4 billion in 1994 as investments in this sector paid off. Interest payments on Turkey's foreign debt, which averaged about US\$1.5 billion from 1980 to 1985, grew to US\$3.2 billion in 1990 and were US\$3.6 billion in 1994. They remained a major burden on the services account.

Turkey's deficit on the current account declined from US\$3.4 billion in 1980 to about US\$1 billion in 1985 as a result of the decline in the trade deficit and the increased surplus on the services account. Despite fluctuations mid-decade, by the end of the 1980s the current-account deficit was sharply reduced, although 1990 saw the deficit at US\$2.6 billion as a result of high oil prices and loss of income stemming from the Persian Gulf War. Aid payments and certain policy measures led to a small surplus in 1991, but a lax fiscal and monetary policy by 1993 pushed the deficit to its highest level at US\$6.4 billion. The policy measures enacted in coordination with the IMF helped the current account register a surplus of US\$3 billion in 1994.

Turkey's capital account suffered from the heavy foreign-debt payments that came due in increasing amounts after 1985. Heavy borrowing in the late 1980s and early 1990s pushed principal payments up to US\$4.4 billion in 1993, US\$5.9 billion in 1994, and a projected US\$7.7 billion in 1995. As a percent of exports of goods and services, Turkey's debt-service ratio rose to 33 percent in 1994, close to crisis levels.

Domestic savings were insufficient for the country's development plans, making continued foreign borrowing necessary. Direct foreign investment averaged only US\$70 million from 1980 to 1985, as foreign investors hesitated to put money into the country. The growth of emerging market funds in the developed countries, combined with Turkey's economic- and financial-sector reforms, had led to a sharp increase in foreign direct and portfolio investment in the 1990s. In 1994 such investments were estimated at US\$300 million. However, the country's 1994 balance of payments crisis was expected to dampen near-term enthusiasm for Turkish stocks and bonds.

Turkey's short-term debt increased in the mid- and late 1980s as the country scrambled to meet debt payments. In 1985 Turkey broke off negotiations with the IMF concerning a

standby agreement and turned to commercial banks for short-term loans. In 1986 alone, Turkey's outstanding short-term debt increased by more than 40 percent to at least US\$9.4 billion. As a result, short-term debt amounted to about 33 percent of total foreign debt, a development that sparked concerns abroad. By early 1987, it was reported that some foreign banks were limiting long-term loans to Turkey pending the outcome of the 1987 local elections. A similar situation transpired in 1993 in the run-up to the 1994 local elections. Short-term debt jumped from US\$9.5 billion in 1990 to US\$12.7 billion in 1992 and US\$18.5 billion in 1993. The austerity measures enacted by the government and a surplus on the current account helped reduce the short-term debt to US\$12.6 billion by the end of 1994, when long-term debt was US\$52.8 billion. A little more than half of this amount was owed to private-sector creditors, which was a sign of the success of the economic reforms of the 1980s. Nonetheless, bilateral and multilateral creditors accounted for nearly US\$18 billion. The relative shares of private and public creditors were expected to change during the mid-1990s as Turkey was obliged to borrow more from international agencies to stabilize its balance of payments.

Regional Economic Integration

After 1980 Turkey's need for foreign markets led the country to try to strengthen cooperation with trading partners worldwide. Trade ties with the Middle East received particular attention under Özal, but Turkish businesspeople also worked to improve trade with countries in North America, East Asia, and Eastern Europe. In the protectionist climate of the mid- and late 1980s, policy makers also took up proposals for regional integration with the economies of Turkey's West European and Middle Eastern neighbors.

For many years, Turkish policy makers and politicians had expressed interest in closer multilateral cooperation with other Islamic countries, especially with oil-producing Middle Eastern states. Starting in the late 1970s, Turkey's increased attention to Middle Eastern markets boosted exports of manufactured goods and construction services, attracted tourists from Middle Eastern countries, and provided additional sources of foreign direct investment and commercial financing. During the early 1980s, exports to Iran, Iraq, Libya, and Saudi Arabia grew rapidly but then declined again after 1982 as oil revenues fell. In



*Fatih Bridge over the Bosphorus in Istanbul
Courtesy Hermine Dreyfuss*

the mid-1980s, Turkey served as a conduit for West European exports to Iran under a countertrade arrangement according to which Turkey received oil and other commodities in exchange for manufactures. Trade with Iraq was reduced after the latter announced in late 1985 that it could not make more than US\$1.2 billion in payments, thereby forcing credit from Turkey. Although the Turks remained open to discussions of an "Islamic common market," disappointment with Middle Eastern markets in the mid-1980s refocused their attention on upgrading economic ties with Western Europe.

During the early 1970s, both European countries and Turkey adhered to the terms of a 1973 protocol for reducing trade barriers. The EC began granting preferential treatment to most Turkish agricultural imports, and Turkey was given a period of twenty-two years to align its agricultural policies with the EC's Common Agricultural Policy (see Glossary). In 1977,

however, Turkey stopped reducing tariffs on EC goods because of the deterioration of the domestic economy. By the late 1970s, relations had deteriorated between Turkey and the EC. The EC imposed quotas and other restrictions on certain Turkish imports, including cotton yarn and T-shirts; in retaliation, Turkey applied levies on imports of European iron and steel. In 1980 the military coup froze relations between Turkey and the EC, although the EC continued to apply the commercial provisions of the association agreement. After 1981 the EC suspended financial assistance in the amount of 600 million European Currency Units (see Glossary) because of reservations concerning human rights violations under Turkey's military government.

After Turkey's return to civilian government in 1983, political relations between Turkey and the EC countries began to improve, and in September 1986 the EC-Turkey Association Council held its first meeting since the 1980 coup. In early 1987, West European diplomats seemed to be united in urging Turkey to pursue the advantages offered by the association agreement, including the provision for a customs union by 1995, before making an application for membership. In April 1987, the Özal government overrode both Turkish hesitation and European misgivings and made a formal application for EC membership. The European Commission issued an official opinion on the Turkish application in December 1989, which was later adopted unchanged by the community's Council of Ministers. In this opinion, the commission proposed that negotiations should not begin until 1993. Negotiations thereafter led the EU to vote for Turkey's inclusion in the free-trade area in 1995.

Some observers have postulated that the EU will never admit Turkey. In addition to criticizing Turkey's human rights policies, they cite three main reasons. First, the level of industrialization in Turkey lags behind that of the European economies. Second, the degree of budgetary transfers from the EU necessary to lift Turkey to the levels of even the poorest European countries would place a huge burden on Europe's resources. Third, given that entry into the union permits labor mobility, Turkey's economic structure, relatively high unemployment, and low wages particularly discourage Europeans at a time when violence in Europe against foreigners has increased dramatically, mainly as a result of high levels of joblessness there.

Since the fall of the Soviet Union, Turkey has shown a keen interest in developing strong economic ties with the states of Central Asia, the Caucasus, and the Black Sea region. In 1990 Turkey and the other states—Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, and Ukraine—surrounding the Black Sea initiated the Black Sea Economic Cooperation (BSEC) project to broaden and deepen cooperation and trade relations among themselves, nonmember states, and other regional structures. Despite obstacles, on June 24, 1992, a basic structure, including concrete plans for integration, was articulated. The most ambitious aspect of the BSEC is an attempt to create a free-trade area to promote easy movement of capital, labor, and goods. The wide range of generally complementary economies in the BSEC area is seen as a factor encouraging integration. Nonetheless, one important difference among the economies—particularly between the Turkish economy and those of the republics of the former Soviet Union—is that many of them are only in the early stages of transition from statist structures. Some observers consider this an impediment to smooth integration. Another major project of the BSEC is the creation of a development bank to finance projects in the region. Some observers, however, have noted that in a capital-poor area the ability of such an institution to mobilize sufficient funds from within the region must be doubted.

Outlook

Regionally, Turkey faces a host of potential political and security threats, largely as a consequence of the end of the Cold War and conflicts in the Middle East, which have forced the government to devote extensive resources to the military. Also, Turkey's attempts to forge regional cooperation arrangements and exploit economic opportunities have been largely stillborn. Strong nationalist sentiment at home, combined with a poor human rights record, also contributes to an uncertain domestic economic future. The Kurdish insurgency has taken its toll on government resources and foreign confidence. Turkey's long-standing attempt to integrate its economy into that of Europe has been jeopardized by the opposition of European governments to Turkey's incursion into Iraq in late 1994 and its repression of its Kurdish population.

Despite setbacks, the steady liberalization of the economy and integration into the world economy begun by former Pres-

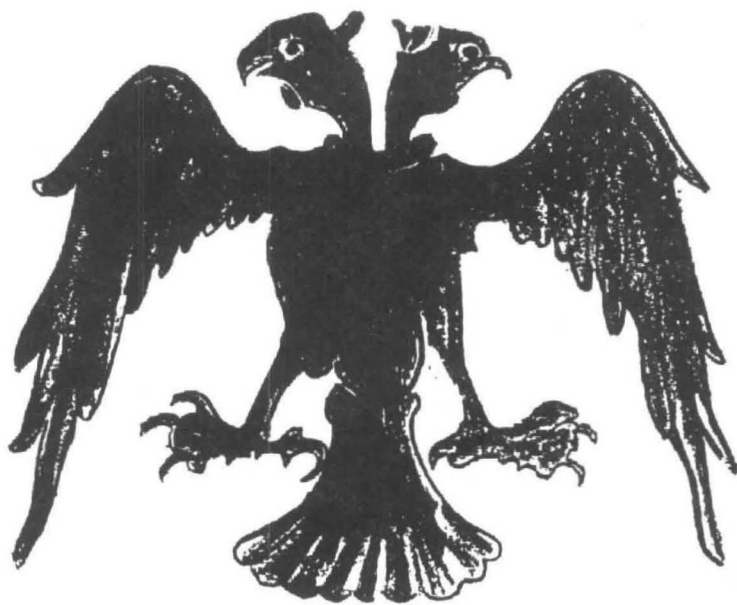
ident Özal has continued without interruption. Turkey's trade sector accounts for a growing proportion of GDP, and foreign funds are a major source of investment. Despite crises in mid-1994 such as the devaluation of the currency, the stock market crash, and a number of bank failures, Turkey has been designated a major emerging market by the main international financial centers. And because a large proportion of foreign investments has gone into industrialization, most observers have expressed confidence in the economy and the government's ability to steer it carefully toward the objective of making Turkey a major regional and international industrial power.

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The OECD's annual economic survey, *Turkey*, is an authoritative and readily available summary of the Turkish economy that includes up-to-date statistical tables. The International Energy Agency's *Energy Statistics and Balances of OECD Countries* provides energy sector data on Turkey. Economic data on Turkey can also be found in the publications of the World Bank and the International Monetary Fund.

The Turkish weekly journal *Briefing* provides insightful, lively, and independent analysis of the Turkish economy. Among non-Turkish journals, regular economic and political coverage can be found in the *Financial Times*, *Middle East Economic Digest*, and the Economist Intelligence Unit's annual *Country Profile: Turkey*. The *Middle East Journal* and *Middle East Report* offer in-depth articles on Turkey. Three excellent books on Turkey that include discussion of the economic and political consequences of structural adjustment are Ziya Onis and James Riedel's *Economic Crises and Long-Term Growth in Turkey*, F.T. Nas and Mehmet Odekon's *Liberalization and the Turkish Economy*, and *The Political and Socioeconomic Transformation of Turkey* by Atila Eralp et al. (For further information and complete citations, see Bibliography.)

Chapter 4. Government and Politics



Double-headed eagle, symbol of the ancient Seljuk Turks

TURKEY'S POLITICAL SYSTEM faced four distinct but intertwined challenges in early 1995: accommodating the disaffected Kurdish ethnic minority; reconciling the growing differences, expressed with increasing stridency, between the secular elite and groups using traditional Islamic symbols to manifest their opposition to the political status quo; establishing firm civilian control over the military, which had a long history of intervening in the political process; and strengthening weak democratic practices and institutions. Turkey displays the trappings of a Western-style democratic government: a legislature whose deputies are elected by secret ballot, multiple and competitive political parties, and relatively free news media. However, Turkey also is a country where, on three occasions since 1960, military coups have overthrown elected civilian governments. The most recent military government, which seized power in September 1980, governed for three years. During the period of military rule, strict limits were imposed on personal and political rights and liberties. Political parties were banned, and prominent civilian politicians were barred from participating in political activity for up to ten years. The military justified its intervention on the premise that it was returning the country to the principles of Kemal Atatürk (see Atatürk and the Turkish Nation, ch. 1).

The supervised restoration of civilian rule began in November 1983 with National Assembly elections for which every candidate needed to obtain military approval. A civilian government with Turgut Özal as prime minister was formed after Özal's Motherland Party (Anavatan Partisi—ANAP) won a majority of the seats in the new assembly. Özal worked with the president, General Kenan Evren, a leader of the 1980 coup, to reestablish the primacy of civilian authority. By November 1987, martial law decrees had been repealed in most of Turkey except Istanbul and the predominantly Kurdish provinces of the southeast, and the military refrained from interfering in the selection of candidates for National Assembly and local elections.

The strengthening of democratic practices, however, was hindered by a lack of consensus within the political elite on the issue of granting cultural freedom and local government autonomy to the country's Kurdish minority. The Kurdish ques-

tion began to reemerge in 1984 after the Kurdistan Workers' Party (Partiya Karkere Kurdistan—PKK) initiated armed struggle against the state by attacking rural police posts in southeastern Turkey. The military's inability to suppress the militant PKK, combined with the international media attention generated in 1988 by the arrival of tens of thousands of Iraqi Kurdish refugees fleeing chemical weapons attacks by their own government, made the Kurdish situation a leading topic of public discourse. Özal, whom the National Assembly elected president in 1989, became the first prominent politician to acknowledge openly that the Kurds were not merely "mountain Turks" but a separate ethnic group whose culture merited respect. Kurdish politicians opposed to the violent tactics and separatist ideology of the PKK responded by participating actively in the Social Democratic Party (Sosyal Demokrat Parti—Sodep) and the Social Democratic Populist Party (Sosyal Demokrat Halkçı Parti—SHP). Following the October 1991 National Assembly elections, a group of SHP-aligned Kurdish deputies, who previously had formed the People's Labor Party (Halkın Emek Partisi—HEP) to promote the full equality of Kurds and Turks within Turkey, organized themselves as a separate parliamentary party. However, many Turkish leaders were unable to distinguish between a separate Kurdish political party and a Kurdish separatist movement, and they campaigned to have the HEP banned and its members arrested, even though HEP deputies enjoyed parliamentary immunity. In a severe blow to democratic procedures, seven Kurdish deputies were arrested in March 1994; they were sentenced to long prison terms in December after being convicted of "crimes against the state."

During the late 1980s and early 1990s, the intensification of the PKK insurgency in southeastern Turkey tended to enhance the status of the military as the guardian of the country's territorial integrity and security. Consequently, Turkish politicians tended to treat the armed forces cautiously, apparently as part of a strategy to dissuade senior officers from initiating yet another coup. Civilian wariness was evident in the government's acquiescence to a number of extrajudicial measures that violated basic due process rights, for example, military censorship of news coverage of operations against the Kurdish guerrillas. In 1993 and 1994, scores of Turkish journalists whose reportage was perceived by the military as endangering state security were detained for trials in special military courts. The military also forcibly deported more than 150,000 Kurds

from some 850 villages in the southeast. Most of the evicted villagers subsequently resettled in the cities of western Turkey, where as many as one-half of the country's Kurdish minority was estimated to be residing in 1994. The presence of so many Kurds in Ankara, Istanbul, Izmir, and other large cities has contributed to a transformation of the Kurdish situation from a regional problem to a national one, whose characteristics include increasing ethnic polarization between Kurds and Turks.

Another cause of polarization is the ideological competition between Turkey's elite, which is imbued with the secular philosophy of Atatürk, and a new generation of grassroots leaders, influenced by Islamic ideas. Islamic political activists began organizing in 1983, after the government authorized the formation of political parties, and subsequently founded the Welfare Party (Refah Partisi—RP; also seen as Prosperity Party). Its candidates competed in both national and local elections, campaigning in middle- and lower-class urban neighborhoods with a consistent message. They blamed the country's economic and political problems on the alleged indifference of secular leaders to Muslim values. The Welfare Party steadily increased its share of the popular vote, and won more than sixty seats out of a total of 450 in the 1991 National Assembly elections. In nationwide local elections held in March 1994, Welfare Party candidates won 19 percent of the total vote, placing the party third behind the ruling True Path Party (Dogru Yol Partisi—DYP) of President Süleyman Demirel and Prime Minister Tansu Çiller and the main opposition Motherland Party. The Welfare Party's electoral successes included winning the mayor's office in Ankara, Istanbul, and twenty-seven other major cities, as well as in 400 smaller municipalities, including almost all the towns in the Kurdish provinces of the southeast.

In early 1995, Turkey was still in the process of trying to redefine its regional foreign policy in the wake of the two major international developments on its borders during 1991: the Persian Gulf War fought by the United States-led international coalition against Iraq and the unexpected collapse of the Soviet Union. Turkey's de facto participation in the Persian Gulf War—Ankara permitted United States aircraft to use a Turkish air base for bombing missions over Iraq—helped to strengthen ties with the United States, a fellow member of the North Atlantic Treaty Organization (NATO—see Glossary). However, the aftermath of that same war—hundreds of thou-

sands of Iraqi Kurds trying to flee into Turkey following the collapse of their uprising against the Iraqi government—was one of the factors that contributed to the intensification of the Kurdish problem within Turkey. The military efforts to suppress the PKK and the political efforts to silence Kurdish political leaders prompted international human rights organizations to accuse the Turkish government of systematic human rights violations. These charges complicated relations with the European Union (EU—see Glossary), an economic organization that Turkey aspired to join as a full member, because several EU countries opposed Turkish membership on grounds that the country's practice of democracy fell short of EU standards. In addition, Turkey and its neighbor Greece, an EU state and a member of NATO, had failed to resolve their dispute over the status of Cyprus and their conflicting offshore claims in the Aegean Sea.

The consequences of the Soviet Union's dissolution potentially are more promising for Turkish diplomacy than the consequences of the Persian Gulf War. The fifteen countries that replaced the Soviet Union include five Asian states whose peoples speak Turkic languages. Özal and his successor as president, Demirel, promoted Turkey as a political and economic model for these Turkic-speaking countries. In keeping with this role, they sought to expand Turkey's influence through numerous bilateral agreements pertaining to cultural and economic relations. However, the long-term success of Turkey's efforts is not assured because both Iran and Russia are trying to extend or maintain their respective influence in Azerbaijan and Central Asia. Initially, Turkish leaders seemed to welcome the prospect of competition with Iran for influence in the region, and they confidently asserted the superiority of their secular state over Iran's Islamic model. By the end of 1993, however, Turkey—perhaps out of concern about Russian intentions—began to stress the need to work with Iran through multilateral regional arrangements such as the Economic Cooperation Organization.

The Constitutional System

The government of Turkey functions in accordance with the constitution of 1982, which was drafted and adopted during the period of military rule following the September 1980 coup. The National Security Council (NSC—see Glossary), composed of the commanders of the army, navy, air force, and

gendarmerie, and headed by the president, established a Consultative Assembly in June 1981 to draft a new constitution. This assembly consisted of 160 members, forty of whom were appointed directly by the NSC and the remaining 120 selected from a list of about 10,000 names compiled with the aid of provincial governors. In July 1982, a fifteen-member constitutional committee of the Consultative Assembly produced a draft that subsequently was amended by the Consultative Assembly and the NSC. The constitution was submitted to a public referendum on November 7 and approved by 91.4 percent of the voters; 91.3 percent of the registered electorate cast ballots. A factor in this high turnout was Provisional Article 16 of the constitution, which stipulated that registered voters who failed to vote would lose their electoral rights for five years.

The 1982 constitution replaced the constitution of 1961, which also had been drafted following a military coup (see *The Armed Forces Group and Interim Rule, 1960–61*, ch. 1). Under the 1961 constitution, an elaborate system of checks and balances had limited the authority of the government; the powers of the president were curtailed, and individual rights and liberties were given greater emphasis. In contrast, the 1982 constitution expands the authority of the president and circumscribes the exercise of individual and associational rights. The 1982 constitution also limits the role and influence of political parties, which are governed by more detailed and restrictive regulations than under the 1961 document. For example, political parties are required to obtain a minimum percentage of the total vote cast before any candidates on their lists can qualify for seats in the National Assembly. The 1982 constitution also provides for the enactment of electoral laws to regulate the formation of parties and the rules for their participation in elections.

Provisions of the 1982 Constitution

Article 2 of the 1982 constitution stipulates that the Republic of Turkey is a "democratic, secular, and social state governed by the rule of law," respecting human rights and loyal to the political philosophy of Kemal Atatürk. Article 5 vests sovereignty in the nation, stipulating that it is not to be delegated to "any individual, group, or class." The fundamental objective and duty of the state is defined as safeguarding the independence and integrity of the democratic Turkish nation and ensuring "the welfare, peace, and happiness of the individual

and society." The constitution divides the powers of the state among the three branches of government. The legislative branch consists of a unicameral parliament, the National Assembly, composed of 400 members (later increased by amendment to 450) elected to five-year terms. The executive branch consists of the president, who is elected to a seven-year term by the National Assembly, and a prime minister, who is appointed by the president from among National Assembly deputies. The prime minister heads the Council of Ministers, members of which are nominated by the prime minister and appointed by the president. The judicial branch is independent of the legislature and the executive.

Like its predecessor, the 1982 constitution includes a detailed bill of rights covering the social, economic, and political rights and liberties of citizens. According to Article 5, all individuals are equal before the law and possess "inherent fundamental rights and freedoms which are inviolable and inalienable." However, articles 10 through 15 authorize the government to restrict individual rights in the interest of safeguarding the "integrity of the state" and "the public interest." The government may impose further limitations on individual rights "in times of war, martial law, or state of emergency."

Articles 28 and 67 of the 1982 constitution stipulate that the individual is entitled to privacy and to freedom of thought and communication, travel, and association; that the physical integrity of the individual must not be violated; that torture and forced labor are prohibited; that all persons have access to the courts and are assumed innocent until proven guilty; that all Turkish citizens over twenty years of age have the right to vote in elections and to take part in referenda; and that the news media are free and not liable to censorship, except by a court order when national security or the "indivisible integrity of the state" are threatened. According to articles 35, 44, and 46, all citizens have the right to own and inherit property. The state is obligated to provide land to landless farmers or to farmers with insufficient land, and, if the public interest so requires, the state may expropriate private property, provided that compensation is paid in advance.

Articles 49 through 54 of the 1982 constitution pertain to labor. The constitution stipulates that it is the right and duty of all people of working age to work and that all have the freedom to work in the field of their choice. The state is given responsibility to take necessary measures to raise the standard of living

of workers, to protect them, and to create suitable economic conditions for the prevention of unemployment. Workers have the right to rest and leisure; minors, women, and people with disabilities are to be provided special protection at work. Workers and employers are free to form labor unions and employers' associations without prior permission, but no one may be compelled to join a union or association. Workers are allowed to bargain collectively and to strike, but not in a manner "detrimental to society." General and politically motivated strikes are prohibited.

According to Article 42, primary education is compulsory and free in public schools. Only Turkish may be taught as the primary language, and all schools must follow the principles and reforms of Atatürk. Education is to be based on "contemporary science and education methods" and is provided under the supervision and control of the state. The state provides scholarships and other means of assistance "to enable students of merit lacking financial means to continue their education."

Article 24 guarantees freedom of religion, provided that the exercise of this right does not threaten the "indivisible integrity of the state." No one may be compelled to worship or to participate in religious ceremonies or rites. Primary and secondary schools are required to provide religious instruction under state supervision and control. Secularism, a primary principle of Atatürk's reforms, is reaffirmed in the provision forbidding "even partially basing the fundamental, social, economic, political, and legal order of the state on religious tenets."

Articles 68 and 69 of the 1982 constitution stipulate that citizens may form or join political parties without prior permission from the government. However, political parties must act according to the principles of the constitution and may be dissolved by the Constitutional Court if that body determines that their activities "conflict with the indivisible integrity of the state." Political parties may not have ties with any association, union, or professional organization. Judges, teachers at institutions of higher education, students, civil servants, and members of the armed forces may not join political parties.

Other articles of the constitution obligate citizens to pay taxes and to render national service in the armed forces or elsewhere in the public sector, grant them the right to petition competent authorities and the National Assembly for redress of complaints, and stipulate that the constitutionality of all laws and decrees is subject to review by the Constitutional Court. To

amend the constitution, at least one-third of the members of the National Assembly first must propose an amendment. The actual proposal then must win the votes of a two-thirds majority of all members of the assembly. If the amendment is vetoed by the president, the votes of a three-quarters majority of the members are required to override the veto.

The 1982 constitution also included a set of provisional articles, the first of which stipulated that the chair of the NSC and head of state would become president of the republic for seven years following approval of the constitution in a referendum. Another provisional article stipulated that the NSC would be transformed into an advisory Presidential Council after the formation of a civilian government following elections for the National Assembly. This Presidential Council would function for a period of six years and then be dissolved. Yet another provisional article made permanent a 1981 NSC decree that barred more than 200 politicians from joining new political parties or becoming candidates for a period of ten years. Some of the provisional articles were later rescinded.

Once the 1982 constitution had been approved but before it was implemented, the NSC in April 1983 issued a Political Parties Law (Law No. 2820) that placed further restrictions on political activities. This law, which was intended to regulate the formation of political parties in advance of the November 1983 National Assembly elections, stipulates that political organizations cannot be based on class, religion, race, or language distinctions. To qualify for registration, a political party is required to have at least thirty founders, each of whom must be approved by the minister of interior. New political parties are prohibited from claiming to be continuations of any parties in existence before 1980. The law also requires each party to establish organizations in at least half the country's provinces and in one-third of the districts within those provinces. Political parties are prohibited from criticizing the military intervention of September 1980 or the actions or decisions of the NSC. The Political Parties Law empowers the NSC and its successor, the Presidential Council, to investigate all party members and candidates for office and to declare any unsuitable.

Electoral System

The 1982 constitution stipulates that elections are to be held on the basis of free universal suffrage with direct, equal, and secret balloting. Ballots are to be sorted and counted pub-

licly under the supervision of judicial authorities. The Supreme Electoral Council, composed of eleven judges elected by the Court of Appeals (also known as the Court of Cassation) and the Council of State from among their own members, has jurisdiction over all electoral proceedings. The Supreme Electoral Council is empowered to rule in cases of complaints concerning the validity of elections and may declare a particular election invalid. The executive and legislative branches of the government are prohibited from exercising any control over the electoral process.

Prior to the first elections under the new constitution, the NSC issued the Electoral Law of June 1983 (Law No. 2839), which stipulates that only parties obtaining 10 percent or more of the total national vote can be represented in the National Assembly. Law No. 2839 maintains the system of proportional representation on a provincial basis, but subdivides the more populous provinces for electoral purposes so that no single constituency can elect more than seven deputies. Each province automatically is assigned at least one seat, regardless of population. These measures work to the advantage of the larger parties and the rural provinces.

Government

Following the military coup of September 1980, Turkey was ruled by the NSC, a five-member collective body representing all branches of the armed forces. The NSC scheduled the first elections under the 1982 constitution for November 1983. The new National Assembly convened soon after the elections, and subsequently a civilian government consisting of a prime minister and a Council of Ministers was formed. In late 1983 and early 1984, the NSC turned over its executive and legislative functions to these new institutions.

National Assembly

The 1982 constitution vests the power to enact legislation in the unicameral National Assembly (*Millet Meclis*). The first National Assembly, consisting of 400 deputies, was elected in November 1983 to a five-year term. The new Motherland Party headed by Turgut Özal won a majority of seats (211) and formed Turkey's first civilian government since the 1980 coup. In 1987 Özal convinced the National Assembly to adjourn itself one year short of its five-year mandate and hold new elections,

a procedure that is permitted under the constitution. Prior to these elections, the assembly approved two constitutional amendments that affected its future structure and composition. One amendment expanded the assembly from 400 to 450 seats. A second amendment repealed the provisional article of the constitution that had banned more than 200 political leaders from all political activity for a ten-year period ending in 1991. This article had permitted the military to retain a degree of control over the electoral process, both at the national and local levels. Its repeal enabled Turkey's best-known politicians, including Süleyman Demirel and Bülent Ecevit, to participate openly in the electoral process. Consequently the National Assembly elections held in November 1987 constituted the first genuinely free balloting in the country since the 1980 coup.

Özal's party won a majority (292 of 450 seats) in the 1987 assembly elections, and he continued to head the government until 1989, when he was elected president. In 1991 the National Assembly again voted to schedule elections one year early. However, as a result of the October balloting, the Motherland Party won only 24 percent of the vote, coming in second behind Demirel's True Path Party, which obtained 27 percent of the vote. Because none of the political parties had won a clear majority, Demirel obtained the agreement of the Social Democratic Populist Party to form a coalition government. The next National Assembly elections are due to be held in October 1996.

Although the constitution stipulates that by-elections to fill vacant seats may be held once between general elections—unless the number of vacancies reaches 5 percent of the total assembly membership—the National Assembly has not scheduled such elections on a regular basis. The assembly holds a convocation following elections, but does not open its annual legislative term until the first day of September. By law, it cannot be in recess for more than three months in a year. Article 93 of the constitution empowers the president during an assembly adjournment to summon the deputies for an extraordinary session, either on his or her own initiative or at the written request of one-fifth of the members.

The National Assembly's powers include exclusive authority to enact, amend, and repeal laws. It also can pass legislation over the veto of the president. The assembly supervises the Council of Ministers and authorizes it to issue government decrees. The assembly is responsible for debating and approv-

ing the government's budget and making decisions pertaining to the printing of currency. In addition, the assembly approves the president's ratification of international treaties and has authority to declare war. The constitution stipulates that the assembly can request that the executive respond to written questions, investigations, and interpellations, and can vote the Council of Ministers out of office.

According to Article 76 of the constitution, every Turkish citizen over the age of thirty is eligible to be a National Assembly deputy, provided that he or she has completed primary education and has not been convicted of a serious crime or been involved in "ideological and anarchistic activities." In addition, men are required to have performed their compulsory military service. Members of higher judicial and education institutions as well as civil servants and members of the armed forces must resign from office before standing for election. Article 80 of the constitution stipulates that deputies represent the whole nation, not just their own constituencies.

Articles 83 and 84 of the constitution grant deputies parliamentary immunities, such as freedom of speech and, with some qualifications, freedom from arrest. These freedoms were put to a severe test in March 1994, when the National Assembly voted to strip the parliamentary immunities of seven deputies who had spoken out within the assembly on behalf of civil rights for the country's Kurdish minority. The seven deputies were arrested at the door of the National Assembly building in Ankara and charged with making speeches that constituted "crimes against the state."

Articles 83 and 84 also provide for a deputy to be deprived of membership in the National Assembly by vote of an absolute majority of its members. Furthermore, a deputy who resigns from his or her political party after an election may not be nominated as a candidate in the next election by any party in existence at the time of that resignation.

As was also the case before the 1980 coup, deputies in the National Assembly in early 1995 typically were fairly young, well-educated members of the elite, with as many as two-thirds having college degrees. However, since 1983 there has been a shift in occupational representation away from a predominance of government officials. In the three assemblies elected starting in 1983, a large percentage of deputies were lawyers, engineers, businesspeople, and economists (see *The Changing National Elite*, ch. 2).

President, Council of Ministers, and Prime Minister

The 1982 constitution vests executive authority in the president, who is the designated head of state. The president ensures implementation of the constitution and the orderly functioning of the government (see fig. 12). The president serves a seven-year term and cannot be reelected. Under a provisional article of the constitution, General Evren, who was chair of the NSC, automatically assumed the presidency when the constitution took effect at the end of 1982. Article 102 of the constitution provides the procedures for electing subsequent presidents, who must be chosen by the National Assembly from among its members. A deputy nominated for the presidency must obtain a two-thirds majority vote of the assembly. If a two-thirds majority cannot be obtained on the first two ballots, a third ballot is held, requiring only an absolute majority of votes. If a presidential candidate fails to obtain a majority on the third ballot, a fourth and final ballot is held, the choice being between the two candidates who received the greatest number of votes on the third ballot. If this procedure fails to produce a winner, new assembly general elections must be held immediately.

When Evren's seven-year term ended in November 1989, the assembly failed to produce a two-thirds vote for any candidate on the first two ballots. Prime Minister Turgut Özal won a majority on the third ballot and became Turkey's second president under the 1982 constitution. Özal died of a heart attack in April 1993 before completing his term in office. In the subsequent assembly vote for a new president, no candidate won a two-thirds majority on the first two ballots. Süleyman Demirel, who had become prime minister in November 1991, garnered the simple majority required for the third ballot and became the country's third president since the 1980 coup.

A candidate for president must have completed secondary education and must be at least forty years old. Articles 101 and 102 of the constitution provide that a presidential candidate can be nominated from outside the membership of the National Assembly if the candidate meets the stipulated qualifications and if the nomination is presented to the assembly in the form of a written resolution that has the endorsement of at least one-fifth of the deputies. In accordance with the requirement that the president-elect terminate relations with his or her political party, both Özal and Demirel resigned as heads of

their respective parties following their election to the presidency.

The 1982 constitution gives the president a stronger and more extensive role than did the 1961 constitution, under which the presidency was a largely ceremonial office. The president is empowered to summon meetings of the National Assembly, promulgate laws, and ratify international treaties. The president also may veto legislation passed by the National Assembly, submit constitutional amendments proposed by the assembly to popular referenda, and challenge the constitutionality of assembly laws and cabinet decrees. The president's responsibilities include appointing the prime minister, convening and presiding over meetings of the Council of Ministers, and calling for new elections to the National Assembly. The president also is authorized to dispatch the Turkish armed forces for domestic or foreign military missions and to declare martial law.

The constitution also provides the president with appointive powers that he or she may exercise independently of the Council of Ministers. For example, the president is empowered to appoint the members of the Constitutional Court, one-quarter of the members of the Council of State, all diplomatic representatives, the chief of the General Staff, members of the Supreme Military Administrative Court, the Supreme Council of Judges and Public Prosecutors, the State Supervisory Council, the Council of Higher Education, and all university presidents.

The president may be impeached for high treason at the recommendation of one-third of the members of the National Assembly and removed from office by the vote of a three-quarters majority. Otherwise, Article 105 of the constitution stipulates that "no appeal shall be made to any legal authority, including the Constitutional Court, against the decisions and orders signed by the president of the Republic on his own initiative." The constitution also provides for the establishment of a State Supervisory Council to conduct investigations and inspections of public organizations at the president's request.

The president presides over the National Security Council, a body that contains civilian as well as military members. It should not be confused with the former NSC, an all-military body, which ruled the country following the 1980 coup and subsequently became the advisory Presidential Council. The present National Security Council is composed of the prime

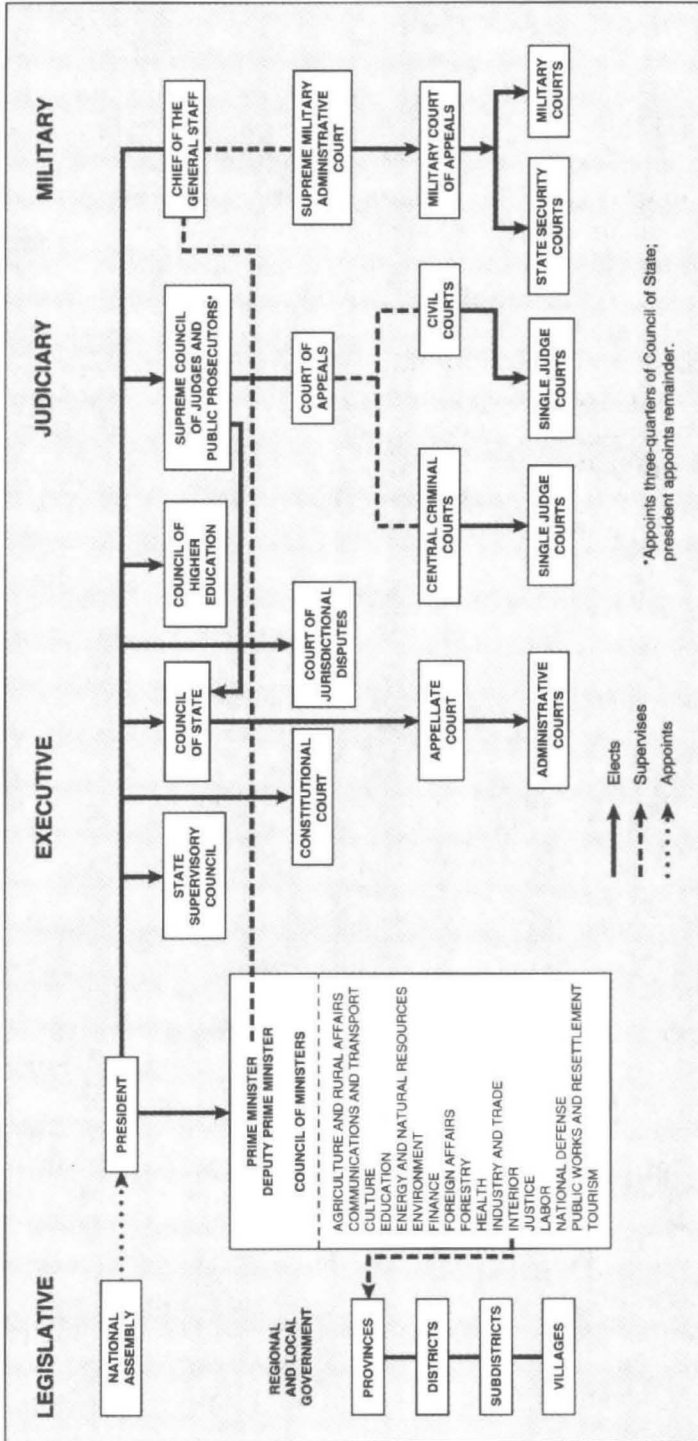


Figure 12. Government Structure, 1995

minister, the chief of the General Staff, the ministers of national defense, interior, and foreign affairs, and the commanders of the branches of the armed forces and the gendarmerie. This body sets national security policy and coordinates all activities related to mobilization and defense. An advisory Presidential Council, composed of the armed forces commanders who had joined Evren in the 1980 military coup and the military government that lasted until 1983, continued to advise the president until 1989. At that time, in accordance with the provisional articles appended to the 1982 constitution, the Presidential Council was dissolved (see Political Developments since the 1980 Coup, this ch.).

The Council of Ministers, or cabinet, is headed by the prime minister, who is appointed by the president from among the elected deputies of the National Assembly. In practice, the president asks the head of the party with the largest number of deputies to form a government. The prime minister then nominates ministers for appointment by the president. Within one week of being selected, each new cabinet must be presented to the full assembly for a vote of confidence; a simple majority is required. If at any time during the Council of Ministers' tenure an absolute majority of the assembly should support a motion of no confidence, the ministers must resign. In the event that no party obtains a majority in National Assembly elections, a coalition of parties is allowed up to six weeks to form a government. If no new cabinet can be formed within forty-five days, the president may dissolve the assembly and call for new elections.

The prime minister supervises the implementation of government policy. Members of the Council of Ministers have joint and equal responsibility for the implementation of this policy. In addition, each minister is responsible for the conduct of affairs under his or her jurisdiction and for the actions of subordinates. In early 1995, the prime minister was Tansu Çiller, the first woman to hold this office. Her cabinet consists of a deputy prime minister and the following ministers: agriculture and rural affairs, communications and transport, culture, education, energy and natural resources, environment, finance, foreign affairs, forestry, health, industry and trade, interior, justice, labor, national defense, public works and housing, and tourism. Çiller's Council of Ministers also includes a number of ministers of state with cabinet rank.

In the area of national defense, the Council of Ministers is responsible to the assembly for national security and for the readiness of the armed forces. However, the president normally serves as commander in chief of the armed forces. With the president as chair, the cabinet is empowered to declare martial law or a state of emergency and to issue decrees without restriction during such periods.

The 1982 constitution strengthens the role of the Council of Ministers vis-à-vis the National Assembly by empowering the cabinet to issue regulations pertaining to the implementation of laws. However, the cabinet also is weakened in terms of its relationship to the president. The constitution grants the president the right to dismiss any minister upon the suggestion of the prime minister. In effect, individual ministers are subject to removal at the discretion of either the president or the prime minister.

Judiciary

Since legal reforms instituted in 1926, Turkey's judicial system has been based on the Swiss Civil Code, the Italian Penal Code, and the Neuchâtel (Swiss) Code of Civil Procedure. The 1982 constitution guarantees judicial independence and prohibits any government agency or individual from interfering with the operations of the courts and judges. Members of the National Assembly also are not allowed to discuss or make statements concerning pending court cases. Although trials normally are held in open court, the constitution provides that they can be closed "for reasons of public morality or public security."

Headed by the minister of justice, the High Council of Judges and Public Prosecutors is the principal body charged with responsibility for ensuring judicial integrity. This council acts on matters pertaining to the careers of judges, including appointments, promotions, transfers, and supervision. The high council is empowered to remove judges and abolish courts and the offices of judges and public prosecutors. However, judges themselves are protected against arbitrary removal from office by a constitutional provision stipulating that they cannot be dismissed without due cause or retired involuntarily before age sixty-five.

In early 1995, Turkey's legal system consisted of three types of courts: judicial, military, and administrative. Each system includes courts of first instance and appellate courts. In addi-

tion, a Court of Jurisdictional Disputes rules on cases that cannot be classified readily as falling within the purview of one court system.

The judicial courts form the largest part of the system; they handle most civil and criminal cases involving ordinary citizens. The two supreme courts within the judicial system are the Constitutional Court and the Court of Appeals.

The Constitutional Court reviews the constitutionality of laws and decrees at the request of the president or of one-fifth of the members of the National Assembly. Its decisions on the constitutionality of legislation and government decrees are final. The eleven members of the Constitutional Court are appointed by the president from among candidates nominated by lower courts and the High Council of Judges and Public Prosecutors. Challenges to the constitutionality of a law must be made within sixty days of its promulgation. Decisions of the Constitutional Court require the votes of an absolute majority of all its members, with the exception of decisions to annul a constitutional amendment, which require a two-thirds majority.

The Court of Appeals (also known as the Court of Cassation) is the court of last instance for review of decisions and verdicts of lower-level judicial courts, both civil and criminal. Its members are elected by secret ballot by senior judges and public prosecutors. Below the Court of Appeals are the ordinary civil and criminal courts. At the lowest level of the judicial system are justices of the peace, who have jurisdiction over minor civil complaints and offenses. Single-judge criminal courts have jurisdiction over misdemeanors and petty crimes, with penalties ranging from small fines to brief prison sentences. Every organized municipality (a community having a minimum population of 2,000) has at least one single-judge court, with the actual number of courts varying according to the total population. Three-judge courts of first instance have jurisdiction over major civil suits and serious crimes. Either of the parties in civil cases and defendants convicted in criminal cases can request that the Court of Appeals review the lower-court decision. The Turkish courts have no jury system; judges render decisions after establishing the facts in each case based on evidence presented by lawyers and prosecutors.

The administrative court system consists of the Council of State, an appellate court, and various administrative courts of first instance. The Council of State reviews decisions of the lower administrative courts, considers original administrative

disputes, and, if requested, gives its opinion on draft legislation submitted by the prime minister and the Council of Ministers. The president appoints 25 percent of the Council of State's judges. The other 75 percent are appointed by the High Council of Judges and Public Prosecutors.

The military court system exercises jurisdiction over all military personnel. In areas under martial law, the military also has jurisdiction over all civilians accused of terrorism or "crimes against the state." The military court system consists of military and security courts of first instance, a Supreme Military Administrative Court, an appellate State Security Court, and the Military Court of Appeals, which reviews decisions and verdicts of the military courts. The decisions of the Military Court of Appeals are final.

Provincial and Local Government

The 1982 constitution retains Turkey's centralized administrative system. Each province is administered by a governor (*vagi*) appointed by the Council of Ministers with the approval of the president. The governors function as the principal agents of the central government and report to the Ministry of Interior. The constitution grants governors extraordinary powers during a state of emergency, powers similar to those of military authorities in areas under martial law. The constitution also stipulates that the central administration oversee elected local councils in order to ensure the effective provision of local services and to safeguard the public interest. The minister of interior is empowered to remove from office local administrators who are being investigated or prosecuted for offenses related to their duties.

In early 1995, Turkey was divided into seventy-six provinces (*vilayetlar*). Each province was further subdivided into an average of about eight districts, or *kazalar*, each roughly equivalent in size to a county in a United States state. Each district was segmented into an average of 493 subdistricts, or *bucaklar*. Each provincial capital, each district seat, and each town of more than 2,000 people is organized as a municipality headed by an elected mayor. Government at the provincial level is responsible for implementing national programs for health and social assistance, public works, culture and education, agriculture and animal husbandry, and economic and commercial matters.

As chief executive of the province and principal agent of the central government, each governor supervises other govern-

ment officials assigned to carry out ministerial functions in his or her province. Civil servants head offices of the national government that deal with education, finance, health, and agriculture at the provincial level. In each province, these directors form the provincial administrative council (*vilayet genel meclisi*), which, with the governor as chair, makes key administrative decisions and, when necessary, initiates disciplinary actions against errant provincial employees.

The governor also heads the provincial assembly and several service departments concerned mainly with local trade and industrial matters. The provincial assembly, which advises and works closely with the provincial administrative council, is elected every five years and, with the governor chairing, meets annually to approve the provincial budget and to select one person from each district to serve on the province's administrative commission. With the governor presiding, the administrative commission meets weekly for mutual consultation. Provincial budgets derive their income from rents, payments for services, fines, state aid, and a 1 percent share of national tax revenues. In most provinces, provincial funds are spent primarily on agricultural and reforestation programs, irrigation, and schools.

Each district in a province has its own administration based in the district seat. The district administration consists of a district chief (*kaymakam*), central government representatives, and a district administrative board. The more than 500 district chiefs are appointed by the president upon nomination by the minister of interior. Each district chief is responsible to the governor, serving essentially as his or her agent in supervising and inspecting the activities of government officials in the district. The district in which a provincial capital is located may not have a district chief but instead be headed directly by the governor. Each subdistrict director (*bucak mudur*) is appointed by the minister of interior on the nomination of the governors. The subdistrict directors, who number about 40,000, are responsible for law enforcement in the villages. They are assisted by officials in charge of rural security; land titles; vital statistics; schools; and postal, telephone, and telegraph services.

Municipal governments exist in each provincial and district capital, as well as in all communities with at least 2,000 inhabitants. Municipal governments are responsible for implementing national programs for health and social assistance, public works, education, and transportation. Each municipality

(*belediye*) is headed by a mayor (*belediye reisi*), who is elected by the citizens to a five-year term and is assisted by deputy directors of departments and offices. Municipal councils, also elected for five years, vary in size according to each town's population. Municipal councils meet three times a year to decide on such issues as the budget, housing plans, reconstruction programs, tax rates, and fees for municipal services. A variety of municipal standing committees, appointed by the mayor and municipal department directors or selected by municipal council members from among themselves, deal with financial issues and decide on the appointment and promotion of municipal personnel.

The smallest unit of local government in Turkey is the village (*köy derneg*), a locality with fewer than 2,000 inhabitants. The principal authority in a village, the headman (*muhtar*), is chosen by an assembly of all the village's adults. This informal assembly also makes decisions pertaining to village affairs and elects a council of elders (*ihhtiyar meclisi*) that includes the village schoolteacher and the imam (see Glossary). The headman supervises the planning and operation of communal projects and services and administers directives from higher authorities. The headman receives government officials, maintains order, collects taxes, and presides at civil ceremonies. The village council supervises village finances, purchases or expropriates land for schools and other communal buildings, and decides on the contributions in labor and money to be made by villagers for road maintenance and other community improvements. The village council also arbitrates disputes between villagers and imposes fines on those who fail to perform the services allotted to them.

Civil Service

Since the early years of the Turkish republic, the civil bureaucracy has played an important role in politics. It became one of the bases of Atatürk's power and was a key instrument of his reform policy, which emphasized adherence to the "Six Arrows" of secularism, republicanism, populism, nationalism, etatism (see Glossary), and reformism (see Atatürk's Reforms, ch. 1). During the 1930s and 1940s, a consistently high percentage of parliament members had a civil service background. However, the power and social prestige of the official elite declined with the emergence of competitive political parties in the late 1940s and early 1950s. Civil bureaucrats generally

believed they worked in the service of the entire nation, and they tended to view politicians, especially those affiliated with the Democrat Party (Demokrat Partisi—DP), as being too partisan to comprehend the difference between policies beneficial to the nation and those merely serving special interests. Democrats and their Justice Party (Adalet Partisi—AP) successors did not appreciate these attitudes, and consequently bureaucrats lost credibility and influence among these politicians, who tried, generally with little success, to restrict the autonomy of the civil service.

The military regime that seized power in 1980 was less tolerant of an independent bureaucracy than its predecessor had been in 1960. Accordingly, it took measures designed to reduce the bureaucracy's autonomy and involvement in partisan politics. For example, civil servants lost the right to challenge or appeal decisions made by members of the Council of Ministers or the Council of State. Martial law commanders were empowered to remove or reassign civil servants under their jurisdiction at their own discretion. In April 1981, a Supreme Board of Supervision was established to oversee the bureaucracy. Its investigations resulted in a large number of officials receiving administrative or penal punishments and prompted many senior bureaucrats to leave government service. The tension between the military government and the civil service did not cease with the end of military rule. When Turgut Özal became prime minister at the end of 1983, he proclaimed that streamlining the bureaucracy was part of the fundamental administrative reform he intended to implement. Gradually, however, cooperation between bureaucrats and political leaders was restored; by the early 1990s, it was no longer fashionable to blame civil servants for the country's problems.

In early 1995, the civil service operated in accordance with provisions stipulated in the 1982 constitution and subsequent regulations. For example, civil servants are appointed for life on the basis of competitive examinations and can be removed from their posts only in exceptional cases. They must remain loyal to the constitution and may not join political parties. If a public employee wishes to compete in National Assembly elections, that individual first must resign from government service. All disciplinary decisions pertaining to civil servants are subject to judicial review.

Political Dynamics

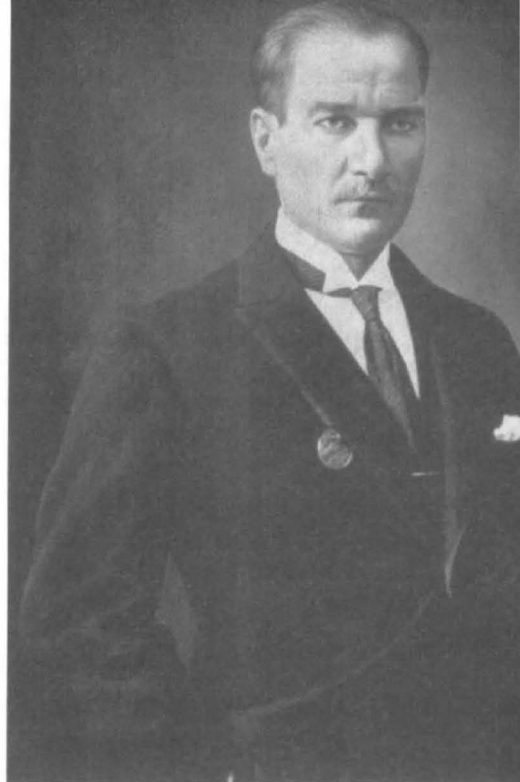
Since the military coup of 1960, Turkish politics have been characterized by two opposing visions of government. According to the "rule from above" view, which has been dominant among the military elite and some of the civilian political elite, government is an instrument for implementing the enduring principles of Kemalism. Thus, if a government fails to carry out this mandate, it must be replaced by those who are the guardians of Atatürk's legacy, which is identified as synonymous with Turkish nationalism. In contrast, the "rule from below" view, which predominates among more populist-oriented politicians and thinkers, tends to regard government as an instrument for protecting the civic rights and individual freedoms of Turkish citizens. Thus, if elected leaders fail in their responsibilities, they should be voted out of office. Supporters of the first view tend to interpret democracy as a political order in which all Turks share common goals and national unity is not disrupted by partisan politics. When they perceive partisan politics as threatening this democratic ideal, they back military intervention as a corrective measure. Those favoring rule from below tend to accept diversity of opinion, and its organized expression through competitive political parties, as normal in a healthy democracy. These two very different conceptions of government have contributed significantly to Turkey's political history since 1960, an era in which periods of parliamentary democracy have alternated with periods of military authoritarianism.

The legacy of military intervention, in particular a general fear among politicians that it may recur, has adversely affected democratic practices in Turkey. For instance, the successor civilian governments have lifted only gradually the harsh restrictions imposed on political rights by the 1980–83 regime. In early 1995, various restrictions on the formation of political parties and free association remained in effect; civilians accused of "crimes against the state" continued to be remanded to military courts for detention, interrogation, and trial.

Political Developments since the 1980 Coup

Immediately following the September 1980 coup, the military government arrested Turkey's leading politicians, dissolved the bicameral Grand National Assembly, declared

*Painting of Atatürk, the
father of modern Turkey
Courtesy Hermine Dreyfuss*



martial law, and banned all political activity (see *Military Interlude*, ch. 1). In October 1981, all political parties then in existence were disbanded and their property and financial assets confiscated by the state. In April 1983, the NSC issued regulations for the formation of new political parties—which could have no ties to the disbanded parties—in anticipation of elections for a new single-chamber National Assembly to be held later that year. Subsequently, the ban on political activity was lifted, except for 723 politicians active before the coup who were forbidden to participate in politics. About 500—former deputies and senators of the dissolved Grand National Assembly—were barred until 1986. The remaining group of more than 200 was not allowed to be involved in politics until 1991. In addition to these restrictions, each party had to submit its list of candidates for NSC approval in order to compete in the assembly elections. Although fifteen parties were established by August 1983, the NSC disqualified all but three of them on the grounds that they had ties to banned political leaders such as Süleyman Demirel and Bülent Ecevit. For a variety of other political reasons, the NSC also vetoed several proposed candidates on the lists presented by the three approved parties.

The parties allowed to participate in the November 1983 National Assembly elections were the Nationalist Democracy Party (*Milliyetçi Demokrasi Partisi*—MDP), headed by retired

general Turgut Sunalp, an ally of NSC chair and president Kenan Evren; the Motherland Party, led by Turgut Özal, a civilian who had served in the military government from 1980 to 1982 as deputy prime minister for economic affairs; and the Populist Party (Halkçı Partisi—HP), led by Necdet Calp. The military publicly supported Sunalp's party and expected it to win a majority of seats in the new assembly. However, the elections proved to be a stunning repudiation of the military government: the Nationalist Democracy Party won only 23.3 percent of the total votes cast and obtained only seventy-one of the assembly's 400 seats. Özal's Motherland Party won an absolute majority of seats (211 total); subsequently, Evren asked Özal to form a new government, which took office in December 1983.

The restoration of civilian government did not mean an immediate restoration of civilian rule. Although the NSC had dissolved itself, Evren, as president of the republic, was in a position to veto any policies that might displease the military. In addition, most of Turkey remained under martial law, which meant that military officers retained ultimate decision-making authority at the local level. Although Özal proceeded cautiously to reassert civilian authority, he recognized that easing various military-imposed restrictions was essential to improve Turkey's international image, especially in Western Europe.

Following the 1980 coup, the members of the European Community, which Turkey aspired to join, had frozen relations with Ankara. The pan-European parliament, the Council of Europe, had cited the military regime's record of human rights violations as justification for banning Turkish participation in 1982 (see Foreign Relations, this ch.). To demonstrate his commitment to democracy, Özal allowed three political parties whose participation in the 1983 general elections had been vetoed by the military to contest the municipal elections his government had scheduled for March 1984. All three parties seemed to be obvious continuations of dissolved precoup parties, and they did not try very hard to disguise their ties to banned politicians. For example, the True Path Party had been formed by former members of the Justice Party, and its de facto leader was widely acknowledged to be Süleyman Demirel. Supporters of the old Republican People's Party (Cumhuriyet Halk Partisi—CHP) had formed the Social Democratic Party (Sosyal Demokrat Parti—Sodep) under the leadership of Erdal İnönü, the son of İsmet İnönü, a former president and close political

ally of Atatürk. The Welfare Party (Refah Partisi—RP) was headed by Necmettin Erbakan, an Islamic activist whose political views had been irksome to the military since the early 1970s.

The local elections held on March 25, 1984, constituted a further repudiation of the military, with Sunalp's Nationalist Democracy Party obtaining less than 10 percent of the vote. At the level of local politics, Sodep and the True Path Party emerged as the second and third strongest parties behind Özal's Motherland Party, which won 40 percent of the vote. The Populist Party, which had the second largest contingent in the National Assembly, did poorly in the municipal elections, probably because most of its potential support went to Sodep, a party with which it shared ideological affinities, as well as common origins in the old Republican People's Party. Subsequently, in November 1985 a majority of Populist Party deputies voted to dissolve their party and merge with Sodep to form a single party, the Social Democratic Populist Party (Sosyal Demokrat Halkçı Parti—SHP). The local elections and the lifting of martial law in several Turkish provinces had a positive effect on some European governments, and in May 1984, the Council of Europe voted to readmit Turkey as an associate member of the European Community.

Following the 1984 municipal elections, former political leaders challenged restrictions on their activities by appearing at political meetings and making public speeches. Demirel and Ecevit were the most prominent of the leaders who openly defied the bans on political activities. The Özal government was under pressure from the military to enforce the bans but under equal pressure from both domestic public opinion and international human rights organizations to relax the restrictions on the country's former leaders. The government responded with alternating tolerance and legal harassment. Inconsistency also characterized the government's treatment of other democratization issues. For example, by the end of 1987 martial law had been lifted in most of Turkey's provinces, but the number of civilians being tried in military courts actually had increased. In addition, the government was embarrassed by reports published by Amnesty International and similar organizations charging the continuation of systematic torture in Turkish prisons, press censorship, and the denial of civil rights for the Kurdish minority. Although the Özal government

dismissed these reports, they tended to complicate already delicate relations with members of the European Community.

In 1986 the expiration of the law banning political activity by some 500 minor politicians of the precoup era served to highlight the anomalous situation of a self-proclaimed democracy that continued to deny the right of political participation to more than 200 major political figures, including former prime ministers and cabinet members. Özal persuaded President Evren and the other senior military officers who supported the ban that the issue should be put to a referendum. The vote took place in September 1987, with a large majority of voters approving repeal. Demirel and Ecevit almost immediately assumed leadership of the parties they had controlled from behind the scenes, respectively the True Path Party and the Democratic Left Party (Demokratik Sol Partisi—DSP), and began campaigning for the National Assembly elections scheduled for November.

The 1987 National Assembly elections were held under the most democratic conditions since the 1980 coup. In contrast to its actions during the 1983 election, the government proscribed no political parties or individual candidates on party lists. From the perspective of the individual parties, the only drawback was the requirement that each must win at least 10 percent of the national vote in order to obtain a seat in the assembly. Parties competing in the elections included the Democratic Left Party, the Motherland Party, the Nationalist Labor Party (Milliyetçi Çalışma Partisi—MÇP), the SHP, the True Path Party, and the Welfare Party (see Political Parties, this ch.). However, only three parties exceeded the 10 percent threshold to qualify for assembly seats. Özal's Motherland Party upheld its dominance in parliament by winning 36 percent of the national vote—slightly less than the 40 percent it had won in 1983—and more than 60 percent of the assembly seats—292 out of a total of 450. İnönü's SHP, a 1985 merger of Sodep and the Populist Party (the latter had won the second highest number of seats in 1983), ranked second with ninety-nine seats. Demirel's True Path Party, which had not been allowed to participate in the 1983 elections, ranked third with fifty-nine seats.

The four years following the 1987 elections witnessed the political comeback of Demirel, who had been prime minister at the time of the 1980 military coup. Following the takeover by the armed forces, he and other members of his government had been arrested. His Justice Party and all other parties subse-

quently were forcibly dissolved. During Demirel's eleven-year exclusion from politics, his former protégé, Özal, emerged as the country's most prominent civilian politician. Because Özal had been a rising star in the Justice Party prior to the coup and had been chosen to take charge of the government's economic reform program, Demirel resented Özal's initial cooperation with the military and his later establishment of the Motherland Party, which competed directly with the True Path Party for the allegiance of former Justice Party supporters. Consequently, once the ban on his political activities was lifted, Demirel campaigned tirelessly against Özal and the Motherland Party. Demirel's persistent criticism of Özal's policies probably was an important factor in the major electoral setback suffered by the Motherland Party in the March 1989 municipal council elections. The Motherland Party's share of the popular vote fell to 22 percent—compared with 26 percent for Demirel's True Path Party—and it lost control of several municipal councils, including those in the country's three largest cities: Istanbul, Ankara, and Izmir. Whatever satisfaction Demirel may have derived from his party's electoral edge over the Motherland Party, the True Path Party nevertheless did not receive the largest plurality of ballots. That distinction went to the SHP, which obtained 28 percent of the total vote (see fig. 13).

Encouraged by the results of the municipal council elections, Demirel devoted the next two-and-one-half years to building up his party for the National Assembly elections. His goal was for the True Path Party to win a majority of seats, a victory that would enable him to reclaim the post of prime minister from which he had been ousted so unceremoniously in 1980. Özal may have provided unintentional support for Demirel's efforts when he decided at the end of 1989 to be a candidate for president to replace General Evren, whose seven-year term was expiring. Because Özal's Motherland Party still controlled a majority of seats in the assembly, his nomination was approved, albeit on the third ballot. However, in accordance with the constitution, Özal had to sever his political ties to the Motherland Party upon becoming president. Because he had been so closely identified with the party and because none of its other leaders, including Yildirim Akbulut, who succeeded Özal as prime minister in November 1989, had achieved national prominence, Özal's departure tended to weaken the Motherland Party politically.

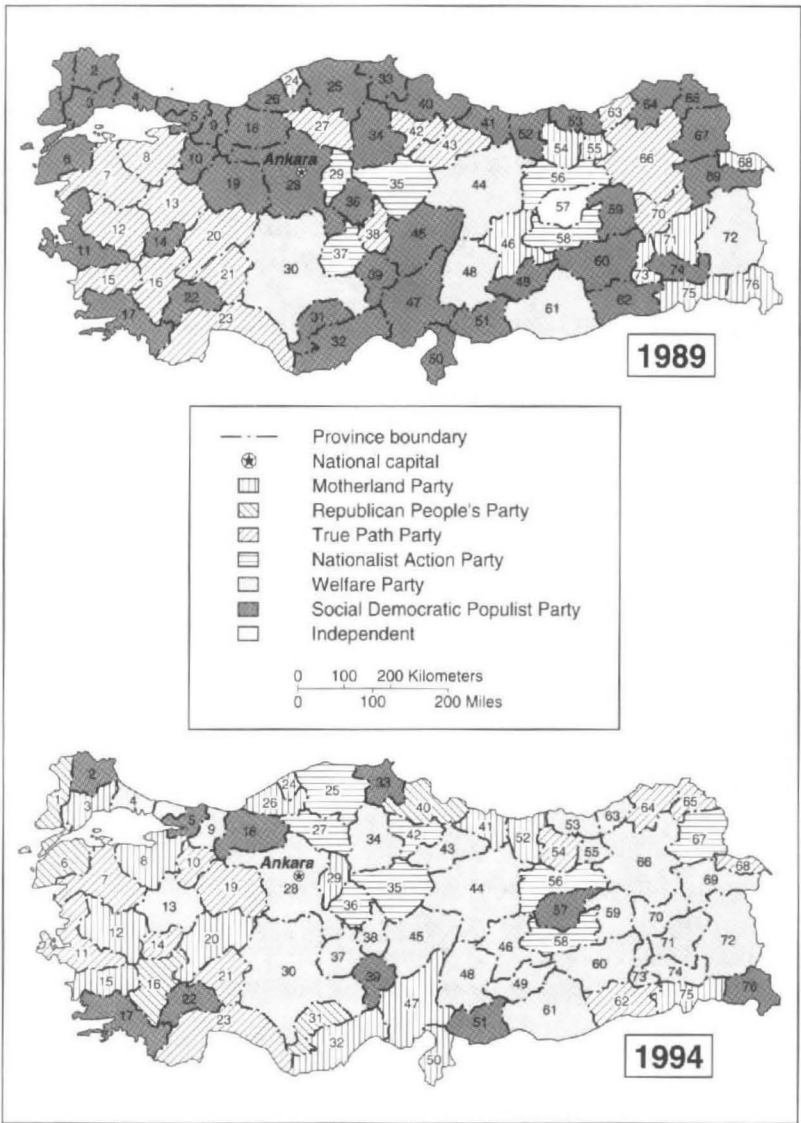


Figure 13. Provincial Elections, 1989 and 1994

The decline—at least temporarily—of the Motherland Party was demonstrated in the October 1991 National Assembly elections. The party received only 24 percent of the total vote and won only 115 seats. In comparison to four years earlier, these

results represented a severe defeat. However, the Motherland Party remained a serious competitor in the political arena, falling only from first to second place in terms of overall parliamentary representation. Whereas the True Path Party emerged from the elections with the largest number of votes and the greatest number of assembly seats, its overall performance—27 percent of the total vote and 178 assembly seats—was less impressive than Demirel had hoped and insufficient to give the party the 226 seats needed for parliamentary control. For Demirel to become prime minister, it would be necessary for the True Path Party to form a coalition with the Motherland Party—a very unrealistic prospect—or at least one of the three other parties that had obtained 10 percent or more of the total vote and thus qualified for representation in the assembly. The three parties were the SHP, eighty-eight seats; the Welfare Party, sixty-two seats; and the Democratic Left Party, seven seats. In November 1991, Demirel announced a DYP-SHP coalition government, with himself as prime minister and SHP leader İnönü as deputy prime minister. Thus, eleven years after being overthrown by the military, Demirel returned as head of government. More significantly, in May 1993 the National Assembly elected Demirel president of the republic following the unexpected death of Özal.

The Welfare Party and other parties also perceived the Motherland Party's weakness and shared Demirel's hope of benefiting from it. The Welfare Party built steady support in middle- and lower-class urban neighborhoods by focusing on widespread dissatisfaction with government policies and attributing official abuses of authority to the failure of leaders to adhere to traditional religious values. It had received 10 percent of the total vote in the 1989 municipal council elections and won control of several small town councils. In the October 1991 National Assembly elections, the party obtained 16.9 percent of the total vote and won sixty-two seats. Its base in the assembly provided the Welfare Party with a strong platform from which to criticize the DYP-SHP coalition government, which Welfare Party leaders accused of being as insensitive on issues of social injustice and civil rights abuses as its Motherland predecessor. In the March 1994 municipal elections, the Welfare Party demonstrated its ability to draw some of the support base of the DYP, whose share of the total vote fell to 22 percent. In contrast, the Welfare Party won 19 percent of the total vote—placing it a very close third after the DYP and the

Motherland Party. Its mayoralty candidates won in both Ankara and Istanbul, the country's two most secular cities, as well as in scores of other cities and towns.

Political Parties

Prior to 1950, the Republic of Turkey was essentially a one-party state ruled by the Republican People's Party, which had been created by Atatürk to implement the Six Arrows of Kemalism. Although there had been abortive experiments with "loyal opposition" parties in the mid-1920s and in 1930, it was not until 1946 that the CHP permitted political parties to form and contest elections, albeit in a politically controlled environment. The Democrat Party was founded in 1946 by CHP members who were dissatisfied with the authoritarian style of the CHP but who otherwise supported the party's Kemalist principles. The DP emphasized the need to end various restrictions on personal freedom so that Turkey could become a democracy. Reform of laws governing political parties and electoral activities—measures that would enable the DP to compete on an equal basis with the CHP—were enacted prior to the 1950 parliamentary elections. Consequently, those elections were the first free ones since the founding of the republic in 1923. The DP won a large majority of seats in the assembly and thus took over the government from the CHP.

The DP retained control of the government throughout the 1950s, a period during which it enacted legislation that restricted news media freedom and various civil liberties. As the DP steadily became less tolerant of dissent, the CHP gradually moved in the opposite direction, abandoning its authoritarian stance and becoming an advocate of civil rights. The DP's efforts to suppress opposition to its policies provoked a political crisis that culminated in a May 1960 military coup. The DP subsequently was dissolved, but the Justice Party, which was established in 1961, was widely perceived as its successor and attracted most of its supporters. In the 1961 parliamentary elections that led to the restoration of civilian government, the Justice Party won the second largest number of seats and thus established itself as the principal competitor of the CHP, which had won a plurality of seats. In the subsequent nineteen years, the rivalry between the Justice Party and the CHP remained a significant feature of Turkish politics. Although both parties proclaimed their loyalty to Kemalist ideals, they evolved distinct ideological positions. Süleyman Demirel, who became leader

of the Justice Party in 1964, favored economic policies that benefited private entrepreneurs and industrialists. In contrast, Bülent Ecevit, who became leader of the CHP in 1965, believed in a form of democratic socialism that included government intervention aimed at regulating private business and protecting workers and consumers. The views of these two men and the positions of their respective parties became increasingly polarized after 1972.

The inability of either the Justice Party or the CHP to win parliamentary majorities and the refusal of both Demirel and Ecevit to cooperate politically necessitated the formation of numerous coalition and minority-party governments. These governments proved ineffective at devising policies to cope with Turkey's economic and social problems, which became steadily more serious throughout the 1970s. Various groups on the extreme right and the extreme left formed illegal political organizations that resorted to violence in pursuit of their objectives, which for certain groups included the overthrow of the government. The apparent inability of governments—whether dominated by the Justice Party or by the CHP—to control increasing terrorism in urban areas contributed to a general sense of insecurity and crisis and served as the catalyst for the 1980 coup. Blaming politicians for the country's political impasse, the military sought to end partisan politics by dissolving the old parties and banning all activity by the politicians deemed responsible for the crisis. Although the formation of new parties was authorized in 1983, none was allowed to use the name of any of the banned parties from the precoup past. Nevertheless, most of Turkey's existing parties in early 1995 were transparent continuations of earlier parties.

True Path Party

In January 1995, the True Path Party (Dogru Yol Partisi—DYP) was the senior partner in Turkey's coalition government. It was a continuation of the Justice Party, and its leader from 1987 until 1993 was Demirel. Because Demirel was barred from political activity prior to late 1987, his close associate, Hüsamet-tin Cindoruk, became the party's titular chair when the True Path Party was established in 1983. However, Demirel was the driving force behind the party, raising money and campaigning on its behalf despite being banned from political action. Demirel promoted economic policies similar to those he had advocated as leader of the Justice Party, updated, however, to

reflect changing economic conditions resulting from international political developments between 1989 and 1991.

The True Path Party's rise from political pariah to ruling party was gradual. In 1983 the military government prohibited the party's participation in the parliamentary elections, effectively shutting it out of the legal political process. However, a gain of thirty-five seats in the National Assembly resulted in 1986 when the Nationalist Democracy Party dissolved itself and most of its deputies joined the True Path Party. Subsequently the party won fifty-nine seats in the 1987 parliamentary elections, and Demirel returned to the National Assembly as a deputy for the first time since the military coup. The party's performance four years later was even more impressive: the True Path Party tripled its representation to 178 seats and emerged from the 1991 elections with a plurality in the assembly. Demirel, who had served three times as prime minister before the 1980 coup and twice had been deposed by the military, succeeded in forming his fourth government by negotiating a coalition agreement with the SHP.

When the Demirel government assumed office in November 1991, it faced several political and economic challenges. Two important political issues eluding resolution were the increasing militancy of Kurdish demands for civil rights and the growing stridency of the confrontation between religious and secular elements of society. Although the True Path Party had no sympathy for Kurdish aspirations, its SHP partners tended to support cultural freedom for the Kurds and had a relatively strong political base in the Kurdish provinces. However, the SHP's ability to influence overall government policy on the Kurdish issue was limited because the military had assumed *de facto* decision-making authority for matters pertaining to southeastern Turkey and expected that civilian politicians would accept this role. There was also no consensus among either True Path Party or SHP leaders on how to handle Islamist aspirations. Whereas some True Path Party members believed it was possible to accommodate Islamist concerns, militant secularists opposed any concessions to those whom they termed "Islamic fundamentalists."

After President Özal suffered a fatal heart attack in April 1993, Demirel decided he wanted to be president. In accordance with the constitution, which mandated that the president be nonpartisan, Demirel resigned as the True Path Party's secretary general in May, after the National Assembly had

elected him president. In June 1993, the party's deputies in the assembly chose as their new leader Tansu Çiller (b. 1946), the first woman to head a Turkish political party. Çiller, who had done graduate studies in economics in the United States, put together a new DYP-SHP coalition government that was approved by the assembly in July 1993, enabling her to become Turkey's first female prime minister.

Social Democratic Populist Party

In early 1995, the junior partner in the Çiller government was the Social Democratic Populist Party, known by the Turkish acronym SHP, for Sosyal Demokrat Halkçı Parti. The SHP was one of several parties formed since 1983 that presented itself as an heir to the CHP. In fact, the SHP leader, Erdal İnönü, was the son of İsmet İnönü, a close associate of Atatürk and a cofounder of the CHP. The SHP had been created in 1985 when İnönü's Sodep (disqualified by the military from participating in the 1983 parliamentary elections) merged with Necdet Calp's Populist Party, which had been allowed to take part in the 1983 elections and had won the second largest number of assembly seats.

The decision to join the True Path Party in a coalition government brought to the fore the internal divisions within the SHP. Civil rights activists, both Turkish and Kurdish, opposed the SHP's participation in the government because they associated Demirel with government abuses of human rights during the late 1970s and doubted his willingness to terminate martial law in the Kurdish provinces. Consequently eighteen SHP deputies resigned from the party and, led by Ahmet Türk, established the People's Labor Party (Halkın Emek Partisi—HEP) in 1990 as a separate group in the National Assembly, although they agreed to continue voting with the SHP on certain issues. Because the HEP emphasized civil rights issues, its primary appeal was among Kurds, and a majority of the party's executives were Kurdish. The alliance with the HEP enabled the SHP to broaden its support base—the urban working-class neighborhoods of western and northeastern Turkey—to include the Kurdish areas of the southeast. Meanwhile the security situation in the southeast deteriorated as guerrillas affiliated with the PKK intensified attacks on government sites and personnel as part of a proclaimed effort to create a separate Kurdish state.

Many Turkish leaders, both civilian and military, tended not to distinguish between the HEP, which was committed to work-

ing for civil rights within the political process, and the PKK, which aimed to overthrow the political system through armed struggle. When the military initiated proceedings against HEP founders in 1992 for allegedly promoting "separatist propaganda," the HEP deputies accused the SHP of not actively protecting them from official persecution. The Constitutional Court outlawed the HEP in 1993 and its successor, the Democracy Party (Demokrasi Partisi—DEP), the following year. These developments, plus the arrest of DEP deputies in the National Assembly in March and June 1994, adversely affected the SHP's image, especially among its Kurdish supporters. Consequently the SHP did very poorly in the 1994 municipal council elections—virtually all SHP incumbents in the cities and towns of southeastern Turkey lost. It remained unclear in early 1995 whether the SHP could regain the confidence of its Kurdish base. A failure to do so would diminish the SHP's chances in the 1996 parliamentary elections to maintain its status as the third largest party in the National Assembly.

Motherland Party

In early 1995, the Motherland Party (Anavatan Partisi—ANAP) was the main parliamentary opposition party, after having served as the governing party from 1983 to 1991. Turgut Özal founded the Motherland Party in May 1983, and his personality and energy were instrumental to the party's subsequent success. Even after Özal officially resigned as party leader in 1989 to become president, his influence—and that of his wife and brothers—continued in Motherland Party affairs. For example, Özal handpicked his successor as party leader, Yildirim Akbulut. However, after Akbulut proved ineffective, both as party chair and as prime minister, Özal pressured him to resign in June 1991. In anticipation of the forthcoming parliamentary elections, Özal approved the younger and more dynamic Mesut Yilmaz as Akbulut's successor. Yilmaz campaigned energetically, used his position as prime minister to woo voters with incentives such as wage increases for public-sector employees, and performed well against other political leaders in Turkey's first-ever televised political debate. However, the Motherland Party's total share of the national vote in the October 1991 balloting fell by 12 percent compared to 1987, and the party won sixty-three fewer assembly seats than its rival, the True Path Party.

The Motherland Party's policies and constituency were similar to those of the True Path Party, but the intense personal rivalry between Demirel and Özal had precluded political cooperation between the two parties prior to Özal's death in 1993. The president's death represented both a major loss and a potential opportunity for the Motherland Party. The party's cohesion had depended on the force of Özal's personality, and in early 1995 it was unclear whether Yılmaz would succeed in transforming the Motherland Party into an effective organization based on a coherent political program and ideology. In addition, because the party's past electoral strength had derived from Özal's own popular appeal, it was not evident what long-term impact his death would have. Despite Yılmaz's relative youth and limited political experience, he appeared to be the party's chief asset, and even before Özal's death he had been trying to chart a course independent of the party's influential founder. Nevertheless, many members were dissatisfied with Yılmaz's leadership; in late 1992 and early 1993, more than fifteen Motherland Party deputies, citing differences with Yılmaz, resigned from the party in a move that reduced its overall strength in the National Assembly to fewer than 100 seats. More than fifty former deputies, including five founding members of the party, also resigned to demonstrate their opposition to Yılmaz. Yılmaz now faced the challenge of developing a new party identity that would appeal to a broader constituency; otherwise the Motherland Party would expend all its energies competing with the ideologically similar True Path Party.

Welfare Party

The Welfare Party (Refah Partisi—RP), which had received only 7 percent of the total vote in the 1987 parliamentary elections and thus had not qualified for assembly seats, was the main electoral surprise in the 1991 balloting. Nearly 17 percent of the electorate voted for the Welfare Party, enabling it to win sixty-two seats in the National Assembly. The Welfare Party was widely considered an Islamic party. Its leader, Necmettin Erbakan, had been identified with Islamic political activism since the early 1970s. He was the founder in 1972 of the National Salvation Party (Milli Selamet Partisi—MSP), which became the third largest party in parliament in 1973. The MSP openly supported a religious political agenda calling for the restoration of traditional "morals and virtues" and a reduction of economic ties to the Christian countries of Western Europe. In 1974 the

MSP gained a measure of political legitimacy by participating in a CHP-led coalition government. In fact, Turgut Özal briefly was a member of the MSP in the 1970s and was at one time an unsuccessful candidate on its parliamentary list.

Following the 1980 coup, the military not only dissolved the MSP, along with other political parties, but also prosecuted Erbakan and other MSP leaders for violating a law forbidding the use of religion for political purposes. When new political parties were authorized in 1983, Erbakan founded the Welfare Party on a platform stressing themes similar to those espoused by the defunct MSP. The ruling generals—and most civilians—perceived the Welfare Party as a continuation of the MSP. It was therefore disqualified from participation in the 1983 parliamentary elections. However, the party did sponsor candidates in the 1984 municipal elections and since then has steadily expanded its support base.

The Welfare Party's strength is in middle- and lower-class urban neighborhoods and in the Kurdish areas of the south-east. This strength was first demonstrated during the municipal elections of 1989, when the party's candidates for mayor won in five large cities and 100 towns. The 1991 parliamentary elections provided further evidence of the Welfare Party's growing popularity and its ability to consolidate an electoral base. Inspired by the party's achievements in 1991, Welfare Party activists, including a new generation of university students, campaigned tirelessly to recruit new supporters. As a result of these efforts, the Welfare Party's share of the total vote increased to 19 percent in the municipal elections of March 1994. The symbolic importance of the 1994 balloting because of its religious implications, probably exceeded the actual significance of the party's turnout. Taysip Erdogan, the Welfare Party's candidate for mayor of Istanbul, and Melih Gokcek, its mayoral candidate for Ankara, both won. In addition, Welfare Party candidates for mayor won in twenty-seven other cities and in 400 towns, including almost all of the predominantly Kurdish municipalities in the southeast.

The Welfare Party's electoral appeal stems from the popularity of its call for a return to traditional values—widely interpreted as meaning Islamic morals and behavior. Its slogans are sufficiently vague with respect to specific policies to attract diverse support. Thus, self-identified Welfare Party loyalists range from professionals who dress in expensive Western fashions and interpret Islam liberally to individuals, especially

women, who adopt a contemporary version of traditional Islamic dress and give Islam a fundamentalist interpretation. Whereas the Welfare Party has adopted certain well-defined positions, such as opposition to Turkey's goal of full membership in the European Union, its adherents tend to hold divergent views on most economic and political issues. However, they share a common interest in religious practices such as daily prayers, fasting during the Islamic holy month of Ramadan (Ramadan in Arabic), avoiding behavior harmful to others, and reading the Kuran (Quran in Arabic). Furthermore, the Welfare Party's emphasis on common religious bonds tends to bring together, rather than to divide, Turkish-speaking and Kurdish-speaking Muslims and has impressed secular Kurds who have become disillusioned with other political parties.

Democratic Left Party

The Democratic Left Party, known by the Turkish acronym DSP (for Demokratik Sol Partisi), was the smallest parliamentary party in January 1995. Because the party received almost 11 percent of the vote in the 1991 elections, DSP leader Bülent Ecevit and six other party officials took seats in the National Assembly. Ecevit considered the DSP the legitimate successor to the CHP, which he headed prior to the 1980 coup. When the DSP was founded in November 1985—with Ecevit's wife serving as chair because he remained barred from political activity—Ecevit made known his low opinion of the SHP, which also presented itself as the heir to the CHP, and its leader, Erdal İnönü. Ecevit's personal animosity toward İnönü prevented DSP-SHP cooperation, even though the parties had similar programs and appealed to the same constituency. In both 1987 and 1991, Ecevit spurned efforts by İnönü and other SHP leaders to persuade him to join an electoral alliance. Ecevit condemned the SHP's participation in the Demirel and Çiller governments as evidence that the party had abandoned social-democratic principles and betrayed the working class.

Other Parties

Several small parties existed in early 1995. Two post-1991 splinters from parliamentary parties included Unity and Peace (Birlik ve Baris), whose members left the Welfare Party in 1992, and the Freedom and Labor Party (OZEP), formed from a breakaway faction of the SHP in 1992. The Nationalist Labor Party (Milliyetçi Çalışma Partisi—MÇP), founded in 1985 by

the controversial nationalist of the 1970s, Alparslan Türkeş, espoused pan-Turkism in foreign policy and cooperated with the Welfare Party in domestic politics. Deniz Baykel, a politician disillusioned by the partisan sniping between the SHP and the True Path Party, announced the reactivation of the CHP in September 1992 and called on its former members to rejoin. Thirteen SHP deputies joined the new CHP, providing it with an immediate base in the National Assembly. The former Democrat Party, banned following the 1960 coup, also was reactivated in 1992. It consisted of politicians who supported the economic policies of the Motherland Party and the True Path Party but distrusted both Özal and Demirel.

In addition to the legal parties, several illegal political organizations operated clandestinely in Turkey in 1995. These parties were considered illegal either because they never had registered as required by law or because they had been proscribed by judicial authorities. Many of these parties advocated armed struggle, although some were nonviolent. The illegal parties fell into three categories, which reflected the intertwined security and ideological concerns of the Turkish military since 1980: separatist parties, a term used to describe all Kurdish groups; communist parties, a term used to describe all organizations espousing various versions of Marxism; and *irtica* (religious reaction) parties, a term used to describe all groups pushing for the establishment of an Islamic government in Turkey. The most important of the illegal parties was the Kurdistan Workers' Party (Partiya Karkere Kurdistan—PKK), which in 1984 had initiated a steadily escalating armed struggle against the government. By mid-1994 at least 12,000 persons were estimated to have been killed in southeastern Turkey, where the government maintained at least 160,000 troops in combat readiness against as many as 15,000 guerrillas. With the exception of the Revolutionary Left Party (Devrimçi Sol—Dev Sol), the illegal communist and Islamic groups were not well organized; they functioned in small cells that carried out mainly isolated but sensational acts of terrorism in various cities. One of the more notorious actions was the January 1993 car bomb assassination of the nationally prominent journalist Ugur Memçu, for which an extreme Islamist group claimed responsibility (see Internal Security Concerns, ch. 5).

Political Interest Groups

The decades following World War II saw a proliferation of

interest groups that evolved into increasingly active and politically conscious associations. The growth of these groups was part of a general trend toward a more politicized and pluralistic society. This trend resulted primarily from factors such as the advent of multiparty politics, economic development and the accompanying expansion of opportunity, and improvements in communications (see *Mass Media*, this ch.). Increasing urbanization, rising literacy rates, rapid industrial expansion, and the exposure of hundreds of thousands of Turkish guest workers—most from villages and lower-class urban areas—to new ideas and customs in Western Europe also contributed to the politicization of the populace. As a consequence, a growing number of voluntary associations sprang up to promote specific interests, either on their own, through representatives in parliament, or through the cabinet and senior bureaucrats. These associations enabled various social groups to exercise a degree of influence over political matters. The activities of groups such as labor unions, business associations, student organizations, a journalists' association, and religious and cultural associations promoted public awareness of important issues and contributed to a relatively strong civil society.

The autonomy of civic groups vis-à-vis the state has been a persistent political problem since 1960. During periods of military rule and martial law, the independence of such groups often was circumscribed (see *Crisis in Turkish Democracy*, ch. 1). Following the military takeover in September 1980, for example, strict limits were placed on the political activities of civic associations; some of these restrictions remained in force in early 1995. For example, the 1982 constitution, like that of 1961, affirms the right of individuals to form associations but also stipulates that the exercise of this right must not violate the "indivisible integrity of the state." Furthermore, associations are prohibited from discriminating on the basis of language, race, or religion, or from trying to promote one social class or group over others. Civic associations also are forbidden to pursue political aims, engage in political activities, receive support from or give support to political parties, or take joint action with labor unions or professional organizations. In addition, legislation enacted in 1983 prohibits teachers, high school students, civil servants, and soldiers from forming associations, and bans officials of professional organizations from participating actively in politics.

Military

By dint of the influence it has exerted on politics since the early days of the Turkish republic, the military constitutes the country's most important interest group. Atatürk and his principal allies all were career officers during the final years of the Ottoman Empire. Although Atatürk subsequently endeavored to separate the military from political affairs, he nevertheless considered the army to be the "intelligentsia of the Turkish nation" and "the guardian of its ideals." By the time of Atatürk's death in 1938, the military had internalized a view of itself as a national elite responsible for protecting the Six Arrows of Kemalism. Prior to 1960, the military worked behind the scenes to ensure that the country adhered to the guidelines of the Kemalist principles. However, in 1960 senior officers were so alarmed by government policies they perceived as deviating from Kemalism that they intervened directly in the political process by overthrowing the elected government and setting up a military regime. The military saw its mission as putting the country back on the correct path of Kemalism. Believing by October 1961 that this goal had been achieved, the officers returned to the barracks, whence they exercised oversight of civilian politicians.

The 1960 coup demonstrated the military's special status as an interest group autonomous—if it chose to be—from the government. On two subsequent occasions, in 1971 and 1980, the military again intervened to remove a government it perceived as violating Kemalist principles. The 1980 coup resulted in a longer transition period to civilian government and the imposition of more extensive restrictions on political rights than had the earlier interventions. At the start of 1995, some fourteen years after the coup, senior officers in the armed services still expected the civilian president and Council of Ministers to heed their advice on matters they considered pertinent to national security. For instance, the military defines many domestic law-and-order issues as falling within the realm of national security and thus both formulates and implements certain policies that the government is expected to approve.

Universities

College teachers and students have acted as a pressure group in Turkey since the late 1950s, when they initiated demonstrations against university teaching methods, curricula, and administrative practices that they alleged resulted in an inade-



*View of Ankara, showing the National Assembly building,
and view of the interior of the National Assembly
Courtesy Turkish Information Office*

quate education. The violent repression of student demonstrations in the spring of 1960 was one of the factors that prompted that year's military coup. In 1960 both teachers and students generally were held in high public esteem because the universities were viewed as the centers where the future Kemalist elite was being trained. During the 1960s and 1970s, however, the universities became the loci of ideological conflicts among a multitude of political groups espousing diverse political, economic, and religious ideas. As students became progressively more radicalized and violent, armed clashes among rival student groups and between students and police increased in frequency and magnitude. By 1980 the military regarded the universities as a source of threats to Kemalist principles.

One of the aims of the military government that assumed power in 1980 was to regain state control over the universities. The regime created a Council of Higher Education, which was intended to provide a less autonomous, more uniform system of central administration. The regime purged ideologically suspect professors from the faculties of all universities and issued a law prohibiting teachers from joining political parties. Student associations lost their autonomy, and students charged with participating in illegal organizations became subject to expulsion. A cautious revival of campus political activity began in the 1990s, mainly around foreign policy issues. However, as of early 1995 the government's possession of the means and will to punish campus activists appeared to be intimidating most faculty and students.

Labor

The legalization of unions under the Trade Union Law of 1947 paved the way for the slow but steady growth of a labor movement that evolved parallel to multiparty politics. The principal goal of unions as defined in the 1947 law was to seek the betterment of members' social and economic status. Unions were denied the right to strike or to engage in political activity, either on their own or as vehicles of political parties. In spite of these limitations, labor unions gradually acquired political influence. The Confederation of Turkish Trade Unions (*Türkiye İşçi Sendikaları Konfederasyonu—Türk-İs*) was founded in 1952 at government instigation to serve as an independent umbrella group. Under the tutelage of *Türk-İs*, labor evolved into a well-organized interest group; the organization also functioned as an agency through which the government

could restrain workers' wage demands (see *Human Resources and Trade Unions*, ch. 3). The labor movement expanded in the liberalized political climate of the 1960s, especially after a union law enacted in 1963 legalized strikes, lockouts, and collective bargaining. However, unions were forbidden to give "material aid" to political parties. Political parties also were barred from giving money to unions or forming separate labor organizations.

The labor movement did not escape the politicization and polarization that characterized the 1960s and 1970s. Workers' dissatisfaction with *Türk-İs* as the representative of their interests led to the founding in 1967 of the Confederation of Revolutionary Workers' Trade Unions of Turkey (*Türkiye Devrimçi İşçi Sendikaları Konfederasyonu*—DISK). DISK leaders were militants who had been expelled from *Türk-İs* after supporting a glass factory strike opposed by the *Türk-İs* bureaucracy. Both *Türk-İs* and the government tried to suppress DISK, whose independence was perceived as a threat. However, a spontaneous, two-day, pro-DISK demonstration by thousands of laborers in Istanbul—the first mass political action by Turkish workers—forced the government in June 1970 to back away from a bill to abolish DISK. For the next ten years, DISK remained an independent organization promoting the rights of workers and supporting their job actions, including one major general strike in 1977 that led to the temporary abolition of the military-run State Security Courts. By 1980 about 500,000 workers belonged to unions affiliated with DISK.

Following the 1980 coup, the military regime banned independent union activity, suspended DISK, and arrested hundreds of its activists, including all its top officials. The government prosecuted DISK leaders, as well as more than 1,000 other trade unionists arrested in 1980, in a series of trials that did not end until December 1986. The secretary general of DISK and more than 250 other defendants received jail sentences of up to ten years. Meanwhile, the more complaisant *Türk-İs*, which had not been outlawed after the coup, worked with the military government and its successors to depoliticize workers. As the government-approved labor union confederation, *Türk-İs* benefited from new laws pertaining to unions. For example, the 1982 constitution permits unions but prohibits them from engaging in political activity, thus effectively denying them the right to petition political representatives. As in the days prior to 1967, unions must depend upon *Türk-İs* to

mediate between them and the government. A law issued in May 1983 restricts the establishment of new trade unions and places constraints on the right to strike by banning politically motivated strikes, general strikes, solidarity strikes, and any strike considered a threat to society or national well-being.

The government's restrictions on union activity tended to demoralize workers, who generally remained passive for more than five years after the 1980 coup. However, beginning in 1986 unions experienced a resurgence. In February several thousand workers angered by pension cutbacks held a rally—labor's first such demonstration since the 1980 coup—to protest high living costs, low wages, high unemployment, and restrictions on union organizing and collective bargaining. A subsequent rally in June drew an estimated 50,000 demonstrators. Since 1986 workers have conducted numerous rallies, small strikes, work slowdowns, and other manifestations of dissatisfaction. By the early 1990s, an average of 120,000 workers per year were involved in strike activity. Türk-İs has mediated these incidents by bailing detained workers out of prison, negotiating compromise wage increase packages, and encouraging cooperative labor-management relations.

Business

The Turkish Trade Association (Türkiye Odalar Birliği—TOB) has represented the interests of merchants, industrialists, and commodity brokers since 1952. In the 1960s and 1970s, new associations representing the interests of private industry challenged TOB's position as the authoritative representative of business in Turkey. Subsequently the organization came to be identified primarily with small and medium-sized firms. The Union of Chambers of Industry was founded in 1967 as a coalition within TOB by industrialists seeking to reorganize the confederation. The Union of Chambers of Industry was unable to acquire independent status but achieved improved coordination of industrialists' demands. By setting up study groups, the union was able to pool research on development projects. In addition, the union organized regional Chambers of Industry within TOB.

Business interests also were served by employers' associations that dealt primarily with labor-management relations and were united under the aegis of the Turkish Confederation of Employers' Unions (Türkiye İşveren Sendikaları Konfederasyonu—TISK). This confederation was established in 1961,

largely in response to the development of trade unions, and was considered the most militant of employers' associations. By the end of 1980, TISK claimed 106 affiliated groups with a total membership of 9,183 employers. Although membership in TISK was open to employers in both the private and public sectors, it was primarily an organization of private-sector employers. When the military regime took power in 1980, labor union activities were suspended, but TISK was allowed to continue functioning. Employers supported the subsequent restrictive labor legislation, which appeared to be in accord with TISK proposals.

Another representative of business interests, the Turkish Industrialists' and Businessmen's Association (Türk Sanayicileri ve İş Adamları Derneği—TÜSIAD), was founded by the leaders of some of Turkey's largest business and industrial enterprises soon after the March 1971 military coup. Its aim was to improve the image of business and to stress its concern with social issues. At the same time, TÜSIAD favored granting greater control of investment capital to the large industrialists at the expense of the smaller merchant and banking interests usually supported by TOB. TÜSIAD's leaders also were concerned with the widening economic inequalities between regions and social classes and opposed TISK's extreme antilabor policies, which they perceived as jeopardizing Turkey's chances of entering the European Union.

Religious Interests

Turkey officially has been a secular state since 1924. Atatürk viewed attachment to religion as an impediment to modernization and imposed rigorous restrictions on the practice of Islam (see *Secularist Reforms*, ch. 2). Until the late 1940s, the separation of mosque and state was rigidly enforced by the authoritarian, one-party government. However, secularism remained an elite ideology, whereas Islam, the nominal religion of 98 percent of the population, continued to be a strong influence on most of the people, especially in rural areas and lower-class urban neighborhoods. The advent of competitive politics in 1950 enabled religion to reacquire a respected public status. Initially the Democrat Party, then most other parties, found it politically expedient to appeal to religious sentiments in election campaigns. As the government gradually became more tolerant of religious expression, both public observance of religious festivals and mosque construction increased. In addi-

tion, there was a resurgence of voluntary religious associations, including the *tarikatar* (sing., *tarikah*—see Glossary). Prior to 1970, however, religion was not a political issue.

The formation of the MSP in 1972 as Turkey's first republican party to espouse openly Islamic principles inaugurated the politicization of the religious issue (see *Retreat from Secularism*, ch. 2). The MSP attracted a following by providing an Islamic defense of traditional values that were eroding as a consequence of the economic and social changes the country had begun to experience in the late 1960s. In effect, religion became a vehicle for expressing popular discontent. The inability of the major political parties to agree on policies to counteract this discontent tended to enhance the influence of minor parties such as the MSP. Indeed, in 1974 the main exponent of Kemalist secularism, the CHP, invited the MSP, by then the third largest party in parliament, to join it in a coalition government. Its participation in the government provided the MSP, and the Islamic movement more broadly, with an aura of political legitimacy. Subsequently, the MSP sponsored an Islamist youth movement that during the late 1970s engaged other militant youth groups—both socialists on the left and secular nationalists on the right—in armed street battles. In the mosques, numerous voluntary associations were formed to undertake religious studies, devotional prayers, charitable projects, social services, and the publication of journals. Even the minority Shia (see Glossary) Muslims organized their own separate groups (see *The Alevi*, ch. 2).

The 1980 coup only temporarily interrupted the trend toward increased religious observance. Initially, the military regime arrested Erbakan and other MSP leaders and put them on trial for politically exploiting religion in violation of Turkish law. However, the senior officers, although committed to secularism, wanted to use religion as a counter to socialist and Marxist ideologies and thus refrained from interfering with the *tarikatar* and other voluntary religious associations. Furthermore, the generals approved an article in the 1982 constitution mandating compulsory religious instruction in all schools. When political parties were allowed to form in 1983, Özal's Motherland Party welcomed a large group of former MSP members, who probably were attracted to the party because Özal and some of his relatives had belonged to the MSP in the 1970s. One of Özal's brothers, Korkut Özal, held an important

position in the Naksibendi *tarikat*, the oldest and largest organized religious order in Turkey.

The military regime was preoccupied with eliminating the threat from "communists," a term freely applied to anyone with socialist ideas. Thousands of persons lost jobs in state offices, schools, and enterprises because they were perceived as "leftists," and leftist organizations virtually disappeared. Religiously motivated persons assumed many of the vacated positions, especially in education, and Islamic groups filled the political vacuum created by the state's successful assault on the left. At the same time, the policies of neither the military regime nor its civilian successors effectively addressed the economic and social problems that continued to fuel popular discontent.

Without competition from the left, the religious orders and the religiously oriented Welfare Party enjoyed almost a monopoly on the mobilization of discontent. One *tarikat*, the boldly political Fethullahçı, actually tried to recruit cadets in the military academies. By 1986 the increasingly vociferous and militant activities of religious groups had forced on the defensive the concept of secularism itself—a bedrock of Kemalist principles for sixty years.

In 1987 the military had become persuaded that what it called "Islamic fundamentalism" was a potentially serious threat to its vision of Kemalism. In January 1987, President Evren publicly denounced Islamic fundamentalism as being as dangerous as communism. Initially, the secular political elite, with the exception of the SHP, was not persuaded by his arguments. Özal, then prime minister, seemed to support the Islamic wing of his party, which was pushing for the repeal of the remaining laws restricting religious practices. The True Path Party characterized the trend toward religious observance as a healthy development and stressed freedom of practice. However, as clandestine religious groups began to carry out attacks on noted secularists in the late 1980s, True Path Party leaders became concerned, and then alarmed, by the influence of Islamism (sometimes seen as fundamentalism).

The Welfare Party disassociated itself from violent attacks by both organized and unorganized religious fanatics, but such attacks increased in both frequency and severity in the 1990s. The most sensational attack occurred in July 1993, when a mob leaving Friday congregational prayers in the central Anatolian city of Sivas firebombed a hotel where Turkey's internationally renowned author, self-proclaimed atheist Aziz Nesin, and doz-

ens of other writers were staying while attending a cultural festival. Although Nesin escaped harm, thirty-seven persons were killed and 100 injured in that incident. Several weeks before the attack, Nesin's newspaper, *Aydinlik*, had published translated excerpts of British author Salman Rushdie's controversial 1988 novel, *The Satanic Verses*, which many Muslim religious leaders had condemned as blasphemous. Following publication of the excerpts, the newspaper's offices in Istanbul and other cities were attacked by groups of Islamic militants.

Turkey's religious revival has foreign policy implications because the *tarikatarlar* tend to link with religious groups in other Muslim countries. Saudi Arabia, for example, has been an important source of the extensive financial support that has enabled the *tarikatarlar* to proselytize and to operate charitable programs that enhance their political influence. Turkish political leaders also fear the influence of neighboring Iran, where an Islamic government replaced the secular regime in 1979, and since 1987 have tended to blame incidents of religious violence on Iranian agents. However, Turkey's religious activists are Sunni (see Glossary) Muslims who tend to display suspicion and prejudice toward Shia Muslims—who make up more than 90 percent of the Iranian population—and there has been scant evidence to support the existence of significant ties between the Turkish Sunni and Iran.

Minorities

At least 15 percent of Turkey's population consists of ethnic and religious minorities. The Kurds are the minority group with the greatest impact on national politics. Since the 1930s, Kurds have resisted government efforts to assimilate them forcibly, including an official ban on speaking or writing Kurdish. Since 1984 Kurdish resistance to Turkification has encompassed both a peaceful political struggle to obtain basic civil rights for Kurds within Turkey and a violent armed struggle to obtain a separate Kurdish state. The leaders of the nonviolent struggle have worked within the political system for the recognition of Kurdish cultural rights, including the right to speak Kurdish in public and to read, write, and publish in Kurdish. Prior to 1991, these Kurds operated within the national political parties, in particular the SHP, the party most sympathetic to their goal of full equality for all citizens of Turkey. President Özal's 1991 call for a more liberal policy toward Kurds and for the repeal of the ban on speaking Kurdish raised the hopes of

Kurdish politicians. Following the parliamentary elections of October 1991, several Kurdish deputies, including Hatip Dicle, Feridun Yazar, and Leyla Zayna, formed the HEP, a party with the explicit goal of campaigning within the National Assembly for laws guaranteeing equal rights for the Kurds.

Turkey's other leaders were not as willing as Özal to recognize Kurdish distinctiveness, and only two months after his death in April 1993, the Constitutional Court issued its decision declaring the HEP illegal. In anticipation of this outcome, the Kurdish deputies had resigned from the HEP only days before and formed a new organization, the Democracy Party (Demokrasi Partisi—DEP). The DEP's objective was similar to that of its predecessor: to promote civil rights for all citizens of Turkey. When the DEP was banned in June 1994, Kurdish deputies formed the new People's Democracy Party (Halkın Demokrasi Partisi—HADEP).

The PKK initiated armed struggle against the state in 1984 with attacks on gendarmerie posts in the southeast. The PKK's leader, Abdullah Öcalan, had formed the group in the late 1970s while a student in Ankara. Prior to the 1980 coup, Öcalan fled to Lebanon, via Syria, where he continued to maintain his headquarters in 1994. Until October 1992, Öcalan's brother, Osman, had supervised PKK training camps in the mountains separating northern Iraq from Turkey's Hakkâri and Mardin provinces. It was from these camps that PKK guerrillas launched their raids into Turkey. The main characteristic of PKK attacks was the use of indiscriminate violence, and PKK guerrillas did not hesitate to kill Kurds whom they considered collaborators. Targeted in particular were the government's paid militia, known as village guards, and schoolteachers accused of promoting forced assimilation. The extreme violence of the PKK's methods enabled the government to portray the PKK as a terrorist organization and to justify its own policies, which included the destruction of about 850 border villages and the forced removal of their populations to western Turkey.

In March 1993, the PKK dropped its declared objective of creating an independent state of Kurdistan in the southeastern provinces that had Kurdish majorities. Its new goal was to resolve the Kurdish problem within a democratic and federal system. The loss of PKK guerrilla camps in northern Iraq in October 1992, following defeat in a major confrontation with Iraqi Kurdish forces supported by Turkish military interven-

tion, probably influenced this tactical change. At the same time, Öcalan announced a unilateral, albeit temporary, cease-fire in the PKK's war with Turkish security forces. The latter decision may also have reflected the influence of Kurdish civilian leaders, who had been urging an end to the violence in order to test Özal's commitment to equal rights. Whether there were realistic prospects in the spring of 1993 for a political solution to the conflict in southeast Turkey may never be known. Özal suffered a fatal heart attack in April, and his successor, Demirel, did not appear inclined to challenge the military, whose position continued to be that elimination of the PKK was the appropriate way to pacify the region. Fighting between security forces and PKK guerrillas, estimated to number as many as 15,000, resumed by June 1993.

In early 1995, Turkey's other minorities—Arabs, Armenians, other Caucasian peoples, Circassians, Georgians, Greeks, and Jews—tended toward political quiescence. Arabs, who are concentrated in the southeast to the west of the Kurds and north of the border with Syria, had demonstrated over language and religious issues in the 1980s. Because most of Turkey's Arabs belong to Islam's Alawi branch, whose adherents also include the leading politicians of Syria, Ankara's often tense relations with Syria tend to be further complicated.

The Armenian issue also adds tension to foreign affairs. The 60,000 Armenians estimated to be living in Turkey in the mid-1990s had refrained from attracting any political attention to their community. However, along with Armenians residing in Lebanon, France, Iran, and the United States, the Republic of Armenia, which borders Turkey's easternmost province of Kars, has embarrassed Turkey with highly publicized annual commemorations of the Armenian genocide of 1915–16—which the Turkish government denies ever occurred (see World War I, ch. 1). The Turkish government also condemns as harmful to overall relations the periodic efforts by the United States Congress and the parliaments of European states to pass resolutions condemning the mass killings. Various clandestine Armenian groups—of which the most prominent is the Armenian Secret Army for the Liberation of Armenia (ASALA)—have claimed responsibility for assassinations of Turkish diplomatic personnel stationed in the Middle East and Europe. Such assassinations have continued to occur in the 1990s. Unidentified Turkish government officials frequently have leaked reports to the news media accusing Armenia, Lebanon, and

Syria of allowing Armenian terrorists to receive training and support within their borders.

Mass Media

The Turkish news media consist of a state-operated radio and television broadcasting system and privately owned press and broadcasting operations. Newspapers are not subject to prior censorship, but a 1983 press law restricts them from reporting information deemed to fall within the sphere of national security and prohibits the publication of papers that promote "separatism." Violations of these restrictions result in the closing down of newspapers and the prosecution of journalists. Except for official press releases, most reports on military operations in southeastern Turkey and almost all accounts of public speeches calling for Kurdish cultural rights prompt state prosecutors to come before security courts calling for judicial investigations of possible press law violations. Amnesty International has documented the detention of scores of journalists who wrote independent articles about conditions in the southeast during 1991–92; in some instances, journalists were injured during interrogations or held for prolonged periods without access to attorneys. Twenty-eight journalists were tried and sentenced to prison in the first six months of 1993 alone. Many of them worked for the Istanbul daily *Ozgur Gundem*, which has regularly featured stories on conditions in the Kurdish areas and has carried interviews with both PKK guerrillas and Turkish soldiers. In an apparent attempt to halt publication of such articles, the government arrested the newspaper's editor in chief, Davut Karadag, in July 1993 and charged him with spreading separatist propaganda. Subsequently, editors at *Medya Gunesi*, *Aydinlik*, and other newspapers were detained on similar charges.

The publication of materials thought to offend public morals is also grounds for suspending a periodical or confiscating a book. The Censor's Board on Obscene Publications has responsibility for reviewing potentially offensive material and deciding on appropriate action. The weekly *Aktuel* frequently questions the value of, and need for, such a board in a democracy, using biting satire to deliver its message. In 1993 the editor of the weekly and one of its freelance columnists were arrested and charged with insulting the board.