

The Governmentality of a ‘Beggars’ Democracy: The Social Regulation of Poverty and the Construction of a Charity State in Turkey

EVREN HOŞGÖR & GÜNEY ÇOBAN¹

Introduction

The Turkish PM Erdoğan’s recent rhetoric, which favours the replacement of state-led social welfare provisions by NGO-based poverty reduction strategies, has created a certain debate/tension among the Turkish academia as well as analysts. He not only argued that charity is a common human value that transcends cultures and beliefs, but also pointed out the importance of nongovernmental charities in combating problems stemming from inequalities in income distribution. More concretely, the PM refers to formal and informal safety networks that provide care for the poor, jobless, elderly, and children. Such rhetoric indeed gains particular significance in the face of global financial crisis: for the Turkish economy has affected quite drastically. Not only did the number of people living below the poverty line increase, but since several firms reduced production, closed plants or resorted to massive layoffs, unemployment levels also rang social alarm-bells: It is not expected to fall below 11% in 2009; hence tens of thousands now face the threat of losing their jobs as the global affects of recession continue to strengthen.

This paper offers a critique of recent government policies and political discourses favouring charity as an alternative redistribution and poverty reduction mechanism, as well as the current literature on informal (and formal via local governments) social assistance networks as the main social regulatory mechanisms. Social policy reforms, as a field located at the intersection² of the political, economic and domestic orders, constitute a rich research area. Not only are they important in studying the way political actors develop certain policies and strategies in order to combat socio-economic problems (both at the local and global level), but also in understanding the Turkish experiment with democracy under a ‘double constraint’: how to maintain social cohesion and how to facilitate capital accumulation. Therefore, with a specific focus on recent changes in social policies, in this paper we argue that this shift from the logic of ‘social state’ towards the one of ‘charity capitalism’ should be related to the new pattern of capital accumulation in Turkey, based on (short-term) foreign capital-inflows, as well as to the collapse of the institutionalized compromise.

¹ Evren Hoşgör is a recent PhD from the Department of Sociology, Lancaster University, UK.

Güney Çoban is a PhD candidate from the Department of Political Science, Paris-Dauphine University, France

² The topological approach of regulation conceives social space as composed of three social orders in particular economic, political and domestic having non-homogeneous logics, bound and connected in a correlationnary and covariante manner by the means of the various systems of mediation such as monetray, the law and the ideology. (Théret 1992:7)

The neo-liberal project, in general, aims to roll-back those forms of state intervention which are related to 'Keynesian welfare national state', i.e. the state would not pursue such goals as development, planning, welfare and so on. Indeed, the main concerns of the post-1980 governments were as follows: The stabilization measures and export-promotion would be maintained; the economic growth policies would be based on the entrepreneurial spirit of individuals; the state should not engage in commercial and industrial activities; a comprehensive reform program would be pursued in the public sector and all SEEs would be privatised in due course. However, at the same time, the neo-liberal project also enhances state intervention to 'roll-forward' new forms of governance that are more suitable for a market-driven globalizing economy (Jessop 2002:454).

In this regard, most of the analysis regards the AKP's discourse on such poverty reduction mechanisms as a classical example of 'clientalism and populism'. However, we believe that 'clientalism and populism' does not provide a sufficient theoretical and methodological framework that can explain the complex relationship between popular masses and political agents. Above all they reduce the relationship to mere manipulation. However, hegemonic leadership involves mobilisation of support behind a concrete program of action. It grants economic concessions and symbolic rewards to masses, privileges particular economic-corporate interests compatible with this program and includes sacrifice of the short-term interest of the hegemonic class/fraction. Such analyses therefore ignore that the exercise of hegemony is not a mechanical clash-of-wills but it has social and material conditions of existence. Moreover, they also underestimate the general move towards strengthening the government's hand since 2002, while weakening other strategic apparatuses. Through these moves, AKP aims to switch the rails of the state policies and to restrain the measures taken 'elsewhere' in the state, and alters the state's substantive unity. It is for this reason such interventions cannot be reduced to populist and/or clientelist governmental practices, as frequently proclaimed. On the contrary, they represent the *ongoing* struggle among various social forces over the form of the state: AKP does not only try to remove/impose certain limitations on decision-making, but also tries to shape the form of the state by reorganizing its modes of representation, internal articulation, modes of intervention that represents the changing balance of class-forces. Therefore, our critique will be based on the methodological and theoretical framework provided by the Regulation Approach (RA) as developed by Théret (1992; 1999) and Jessop's (2004) Cultural Political Economy (CPE).

Abstract

First, we will analyse the renewed interest in poverty and governance on the part of 'external anchors' the WB, the IMF and the EU. We compare and contrast main global political discourses, such as the Washington Consensus Post-Washington Consensus, and the Millennium Development Goals in terms of competitiveness, governance, poverty-reduction schemes and social inclusion policies; and then we analyse how these have been re-interpreted and re-coded in specific socio-economic discourses at the national/local level. The Europeanization rhetoric on the other hand accompanied by the "Social Europe" metanarrative stands for a "political toolbox" justifying and legitimizing the national/local reform processes.

Second, we will discuss the mechanisms of political agenda setting and the implementation of structural adjustment reforms. By doing so, we aim to demonstrate the ways in which such reforms transform the social state to a charity state – i.e. a neo-liberal state that draws its legitimacy primarily from religion instead of law-based social compromise. Concomitantly, we will discuss how both the recommendations and the hegemonic discourse of international financial organizations - such as the IMF and World Bank - have been strongly incorporated in the formulations of Turkish policies; for they became the essential dynamics behind the implementation of structural reforms. Then, we will consider the Turkish EU integration process and how it has contributed to the instauration of a highly favourable political context by exonerating the electoral constraints and legitimizing the structural neoliberal reforms through an instrumental promotion of the “Europeanization” under the guise of a specific rhetoric. However, we do not refer to a simple instrumentalization phenomena but a complex process of discursive communication among multiple actors both at the national and transnational level associated with various hegemonic projects, sometimes converging with and sometimes diverging from each other as a consequence of particular spatio-temporal contexts. Finally we will end the paper, by demonstrating the ways in which AKP’s neoliberal communitarian ideology has been materialized through enforced-laws and reform packages that compel certain practices on different segments of the society, yet without necessarily exhausting the consensual ground.

The temporal evolution of the global hegemonic discourse

In this part, we will provide a temporal analysis of the global political discourse by studying the essential themes in the neoliberal discourse and its new formulations via new referential frames. Thus, our aim is to show how the hegemonic neoliberal discourse on globalization is redefined through new “referential frames” such as the Washington Consensus (competitiveness), the Post-Washington Consensus (governance), and the Millennium Development Goals (the fight against poverty).

But before our main discussion, we would like to note couple of important issues on the process of reformulation of new referential frames. First of all, although each new discourse is represented as a progressive paradigmatic change, it is nonetheless formulated within a certain framework (the hegemonic discourse on neoliberal transformation), which proves to be the dominant leitmotiv. Moreover, during the reconstruction of a new discourse, the epistemic communities play a determinate role through a trans-coding process which takes place in the cognitive and symbolic frames of various referentials. (Çoban/Süerdem 2008:9) Thus, these epistemic communities, due to the failures in the implementation of policies, produce political recipes, which open a political window of opportunity (Kingdon 1995) and enable the emergence of new discourses. In contrast with political paradigms, this new discourse therefore does not mark a linear progressive evolution, but rather reflects an incoherent and fragmented nature of the real policy process.(Çoban/Süerdem 2008:9)

To illustrate with an example, 1980s financial crises in Latin America opened a window of opportunity that had challenged the role of the state during the regulation of economic processes (cf Stiglitz 2004). In relation to this a new line of thinking has

emerged, widely referred as the ‘Washington Consensus’³ in order to reformulate the neoliberal discourse in tandem with the theory of the competitive markets. This referential frame, opposing the markets with the role of the state in the process of redistribution of resources, organized its discourse around particularly on deregulation, commercial and financial liberalization and privatization (Williamson, 1990).

The concept of Washington Consensus was then identified with policies promoting the expansion of market’s role at the expense of the one of the state’s. The Washington Consensus included political recommendations such as fiscal discipline, reorientation of public expenditure priorities towards infrastructure, health and education investments from state-led industrial investments, deregulation, property rights, commercial and financial liberalization, privatization, tax reform, promotion of the Foreign Direct Investment (FDI) and single and competitive exchange ratios. (Williamson 1990). Moreover, a strong bond was established with capital flows and economic growth. Thus, the economic growth became strongly related to capital flows and the attraction of the FDI. Therefore, the idea underlying the Consensus was externally dependent economic growth.

However, due to successive failures in the implementation of this first-generation structural adjustment reforms, and financial crises in various countries during the late 1980s and, particularly in the 1990s, international experts, academicians, and economists, acknowledged that neoliberal orthodoxy did not function optimally and reached its limits. Thus, the role of the state, in the name of “return to the internal policy” became the object of new considerations in the formulation of policy recipes. (Maxwell 2005:7) Hence the Post-Washington Consensus, which was presented as ‘a shift in the paradigm’, is gradually imposed. (Stiglitz 2004; Maxwell 2005; Ahrens 2000) The failures of the political reforms, bad management of public administration, systematic rent seeking activities as well as the practices of corruption forced the international organizations to formulate new measures. (Stiglitz 1998a; Ahrens 2000) Thus, the concept of good governance became the major referential in the development of international economy and aid. Initially emerged as a discourse of development and aid organizations, it became a global discourse in association with the new public management concept. (Bendaña 2004) In the mid 1990s, the concept is reformulated on the basis of standards of transparency, accountancy and participation. This last norm referring to the predictability was elaborated along with the crises of the late 1990s, giving rise to explicit demands for improvements in the governance of private sector and the stability of international financial markets. (Präsidenten/Projekte 2004:4-5)

Within this framework, the ‘globalization’⁴ discourse testifies not only to the transformation of the concept “government” into “governance” but also to the shift from “public administration” to “public management”. (Bislev/Salskov-Iversen 2001: 2) Thus, the literature on governance and international studies on new public

³ The Washington Consensus as a concept originally invented by John Williamson, chief economist in the World Bank in 1990, was used in reference to ten political regulations formulated by the institutions based in Washington such as the IMF, the World Bank and the Treasury Department of the United States and contained a package of reform for countries affected by financial crises, in particular Argentina.

⁴ Particularly referring to neo-liberal globalisation.

management imply these two models of public service which involve and testify a reformulation of the government form on a new basis that relies on the theory of market economy.(Ewalt 2001:8) In close connection to this, as Bislev and Salskov-Iversen has shown, the ties between globalization and governance was closely connect with the emergence of new transnational actors in transnational corporations and nongovernmental organizations, who became increasingly dominant in transnational relations: For to an ever greater extent, they have started to intervene in political institutions, labour markets, technologies and cultures. (Bislev/Salskov-Iversen 2001: 3)

Since this particular historical era was marked by the rhetoric on governance, it envisaged mainly economic liberalization by arguing that the state, market and civil society should represent different sectors. Then, it granted a considerable role to the state and to the institutions besides the market, functioning through the norms of decentralization, transparency, accountability and participation.⁵ In this relation, it also considered voluntary associations as a 'third sector' which can exert its control over the state and market. (Stiglitz 1998c) However, at the same time the role of the state is emphasized not only for providing equal opportunity for its citizens and social inclusion but also for the establishment of an active 'Workfare State'. (Sloam 2007: 5)

At the European level, this period also witnessed the arrival of the left-wing governments to power in majority of the EU member states. Within this framework, the Third Way discourse became very influential in European policies. This new moderate discourse of the left considers globalization as an inevitable phenomenon, so the European Social Model (ESM) must be reformed in order to face globalization better. (Pochet 2006 :6) Thus, active policies and investments became a priority in this Third-Way version (activated) of the Welfare state. According to this discourse, 'European Exceptionalism' does not lie any more in the existence of a traditional Welfare state, for it is questioned by the intensification of global competitiveness. Therefore, it aims to adapt the ESM to the requirements of this new globalized world. Thus, the amalgam of governance and new public management, the principal idea that constituted the Third Way discourse was based on a new conception of social protection. Thus, according to this discourse, the ESM cannot be conceived as a burden but as a productive factor which generates a virtuous circle of good functioning of macroeconomics, employment and social policies. (Hermans 2005:6)

The launching of the European Employment Strategy (EES) and its specific mechanisms of implementation, the Open Method of Coordination (OMC), used initially in the field of employment, then in the field of social security, justifies the influence of this discourse during this period in European policies. Thus the OMC as a 'soft law' instrument of governance, based on flexibility and voluntary participation, aims to renovate social Europe, by converging national policies through benchmarking and social learning, instead of a general harmonization of national legislations⁶. (Trubek/Mosher 2003: 71)

⁵ The World Bank 2002 Development Report clearly illustrates this discursive shift. This documents indeed gave primacy to certain subjects such as 'governance, competitiveness, deregulation and social exclusion'. (World Bank, World Development Report 2002: Building Institutions for Markets, Oxford University Press)

⁶ In the 2001 report of the European Commission on the OMC, subjects related to the dominant global discourse - such as governance and decentralization - constitute an essential priority. The distinction

With the launching of the Lisbon Strategy in the European Council in 2000⁷, we witness that the strategy combines the endogenous growth targets such as investment in technology, research and lifetime learning and those aimed by the Third way (left moderate) such as investment in the human capital, full employment, fight against poverty and social exclusion and rural development.⁸ The relation between employment, growth, social cohesion and open economy indicates that the objective of the Lisbon Strategy is to generate economic growth and employment as well as social cohesion. Thus, growth, economic openness relying on privatizations, deregulations and social cohesion must be developed concomitantly with the modernization of the European Social Model.

However, a window of opportunity opened with this discourse for the emergence of new ideas and different points of view to question the perverse effects of uncontrolled markets, being initially very innovating concepts in terms of solution, yielded their place to a bureaucratic mechanism of legitimacy and political instrumentalisation, especially in developing countries. (Çoban/Süerdem 2008:11)

Instead of ensuring political participation, concepts such as democracy and governance, deprived of their fundamental principles, are regarded as a bureaucratic mechanism of control. The efforts to import concepts emptied their contents through their technical instrumentalisation without any interrogation and in the absence of conditions and of infrastructures necessary to their improvement caused not easily reparable damage on local socio-political cultures. So the Third Way discourse which had traced an imaginary global economy resting on new political space and which was neither traditionally social democrat and nor conventionally free market, marginalized itself without being able to answer motivated expectations. (Çoban/Süerdem 2008:9)

Thus, following criticisms addressed to the Third Way, the global discourse is reformulated around the Millenium Development Goals (MDG). Maxwell notes that the current discourse of the transnational organizations (World Bank, IMF) and of various academicians, testifies the formulation of a new referential frame with the adjunction of the MDG and the proposals of Stiglitz (Maxwell 2005: 1-2). This new orthodoxy is mainly based on the reduction of poverty, the improvement of the health

between the global and the European levels appear through the emphasis on human capital and public-private partnership which are the fundamental elements of the European Third Way discourse.

(European Commission, Involving Experts in the Process of National Policy Convergence, Report by Working Group 4a, Pilot: D. COYNE Rapporteur: F. PIERINI, JUNE 2001)

⁷When we analyze the Lisbon Strategy, we see that it emphasizes technology, knowledge based economy, research and development then human capital, employment, social consensus, social exclusion and the subjects of governance such as public-private partnership, decentralization, third sector and small and medium-sized enterprises. The bond between human development, the third sector and technology constitutes the principal subject of the Lisbon Strategy, aiming a knowledge based society. The incentive to generate a knowledge economy with investments in high technology, with creation of networks of innovation and small and medium sized enterprises (MSE), and of funds of venture capital particularly in human development (education, formation throughout life) through a consensus of social partners and voluntary entrepreneurial associations constitute the principal objectives of the Lisbon Strategy. European Council, Lisbon Extraordinary European Council, 23-24 March 2000. Available at: http://europa.eu/european_council/conclusions/index_en.htm

⁸ According to Pochet, the European Council of Lisbon was a crucial moment in the unification of the two groups (endogenous growth approach and governance approach under the same banner of the public-private partnership and investment in a knowledge based society (Pochet 2006: 7)

services and education, sustainable development, investments on infrastructure and productive sectors, a strong relationship between open markets and growth, responsible and decentralized public institutions and finally the good governance.⁹

In the European level, the third period is marked with the end of the hegemony of governments with a social democrat tendency in 2002, and again the neoliberal approach starts to settle gradually. That is shown initially in the field of the Open Method of Coordination. The OMC is simplified by decreasing its objectives and its indicators. Thus the consecutive reports of Sapir (1 and 2) and Kok (1 and 2) clearly show this tendency of refocusing on the competitiveness and the dismantling of alliance between the moderate left and the analysts of the endogenous theory of growth (Pochet 2006: 8).

In the Lisbon Strategy, human development was regarded as an important factor in the emergence of knowledge based society. The revised Lisbon Strategy¹⁰ brings a different approach by aiming development of human in order to fight poverty and social exclusion. Hence we note a parallel tendency with the discourse of the World Bank which recommends in accordance with the Millennium Development Goals, human development, education among the other important factors such as helping to fight poverty and social exclusion.¹¹

This evolution of the European discourse is not a merely a European case but it indicates the influence of a global change of the discourse on a world level based basically on the Millennium Development Goals. In this perspective, we observe that with the renewed Lisbon Strategy over the period 2008-2010, the European discourse aligns itself more and more with the global discourse.

The Case of Turkey

With the AKP's ascend to power in 2002, an economically liberal but politically conservative power bloc is established and a hybrid liberal-conservative political project with a specific emphasis on democratization and/or Europeanization was

⁹ The analysis of United Nations' and of the World Bank related documents, confirms this thematic tendency. Thus the subjects most influential in these documents are fighting poverty, social exclusion and governance. However, subjects such as competitiveness, deregulation, environment, energy, sustainable development and the human capital also still lay out a considerable importance. (World Bank, Annual Report 2007; Addressing Poverty Worldwide; United Nations, General Assembly, Resolution adopted by the General Assembly, 2005 World Summit Outcome, 24 October 2005).

¹⁰ European Council, European Council Brussels, Presidency Conclusions, 22-23 March 2005. Available at: http://ue.eu.int/ueDocs/cms_Data/docs/pressdata/en/ec/84335.pdf

¹¹ We can clearly note the influence of the MDG in the recent EU reports where the environment, energy, sustainable development, social exclusion and technology constitute the determining subjects. Competitiveness and deregulation have also a considerable importance in these documents. We note that the recent European discourse especially leans on the theme of energy, the environment, competitiveness, deregulation and also on social exclusion at the expense of employment, growth, human capital, private public partnership and finally social policy. (European Commission, Communication from the Commission to the Spring European Council: Strategic report on the renewed Lisbon strategy for growth and jobs: launching the new cycle (2008-2010) - Keeping up the pace of change, Brussels, 11.12.2007, COM(2007) 803 final, PART I; European Council, European Council Brussels, Presidency Conclusions, 13-14 March 2008). Available at: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/99410.pdf

designed. In this regard, we suggest that neoliberal structural adjustment reforms could be related to the struggle between two historical metanarratives¹² in Turkey. While the first one is centred on republican secular societal values; the second one is linked to religious communitarian sentiments. These two metanarratives not only represent certain conjectural national peculiarities resulting from Turkish history, but also related with the metanarratives of neoliberal globalization as well as the one of Europeanization.¹³ It is for this reason we find it important to analyse conflicts and alliances among different social forces within this power bloc, who not only try to pursue their particular economic-corporate interests and strategies in particular spatio-temporal contexts, but also try to control both the material and non material sources of power both exogenous and endogenous to the state. Within this framework, we argue that these two different metanarratives coincide with two competing modes of regulation present in Turkey and their attempt at hegemony; which one will become the dominant strategy is however related to its ability to shape/redefine dominant accumulation strategy as well as the institutional form of the state.¹⁴ For this end, we observe that neoliberal discourse played an important role both in the discursive legitimization and the implementation of structural adjustment reforms in Turkey through new referential frames. However we consider the process of EU integration as an essential dynamic; not only influenced the cohesion of the political, the economic and the domestic orders, but also determined the struggle between different social actors during the construction of the power bloc in Turkey.

By defining Europeanization as a metanarrative, our goal is not to underestimate the bond between Europeanization and European integration as a federalist project, but particularly to emphasize and present how various discourses on the EU are in opposition and confrontation with each other through their deployment and mobilization of specific visions and diverse hegemonic strategies.

Within this framework, the process of adhesion to the European Union (EU) provides an extremely interesting context to the strategies of the AKP governments, enabling it to work out as a hegemonic project that strategically fits the neoliberal structural transformation in Turkey. In fact, social security reforms not only included in this hegemonic project, but also accommodated the logic of poverty reduction via charity

¹² Metanarrative includes at the same time discursive and rhetorical elements. The discursive use of the narration consists of the incorporation of the ideas and the paradigms in the form of fixed and implicit assumption of the social actors. On the one hand, these assumptions constitute a framework in which the agents take part and are conscious of the social, political and economic developments. In addition, the narration as rhetoric builds an ideal which reflects the hopes, the fears and the dreams of the actors concerned. The rhetorical elements, by building an imaginary world, interpret the discourses through the strategic and persuasive mobilization of the specific actions and the political initiatives (Hay/Rosamond 2002: 151-152)

¹³ In order to demonstrate the interaction between the global and the local, we utilise the concept of metanarrative as a global referential; for it articulates partial narrations (Lyotard, 1984) by organizing knowledge, experiment, different ethos and world visions through a mixed symbolic space while advancing a universal claim. Thus, the metanarrative ensures not only a reconciliation of contradictory political approaches and ideological polarizations via a global, but also a contextual ideational framework.

¹⁴ To note, our conception of metanarrative is similar to the Jessop's. Jessop contends that narrations are the objects of the discursive and structural selectivity; yet he also argues that their influence depends on their capacity to establish bonds with personal narrations and networks of extended interlocution concerning the metanarratives ensuring the articulations between the important global diversity of the institutions, the organizations and interactions. (Jessop 2002: 94)

organizations. These therefore perfectly combine two designs which animate it: (neo-) liberal and religiously conservative. We argue that social policies do not merely symbolize a process of 'decomodification', but also a process of Islamization/Islamification in which the 'counter movement'¹⁵ of Islamification constitute a response to the expansion of the market.

In this light, we find it important to refer mainstream/dominant/hegemonic global political discourses and to analyze how they have been interpreted and re-coded within specific discourses in local (Turkish) socio-political sphere and their role in securing the political hegemony of the AKP. Therefore we do not consider global political discourses as simple instruments of manipulation but rather as a process of communicative action in which a process of learning ensures the cognitive and normative link between the local and transnational level, helping the local actors to redefine and reformulate their respective positions and their discourses according to alternatives and new interests which emerge within their institutional environment. In fact, global discourses are decoded and re-coded by local actors according to their own political and ideological selectivities. This means that these actors not only control the change through new ideas which reinterpret the social reality, but also redefines their social identities vis-à-vis various social groups.

We thus study the transition to a charity state in reference to the deconstruction and the reconstruction of globally dominant neoliberal discourse through new referential frames: the Washington Consensus built around the competitiveness discourse; the Post-Washington Consensus referring to the governance discourse; and the Millennium Development Goals (MDG) resting on the fight against poverty discourse following the failures in implementations of the previous former two and as a response to its registered critics. We consider that these new referential frames are formed to support new accumulations strategies and their associated modes of regulation in tandem with particular hegemonic strategies. With the enactment and implementation of the competitiveness discourse in Turkey, the commodification process of social rights is occurred with logic of market based on a conception of social expenses as burden and thus embedding the social services into the market. Then the governance discourse ensured a highly favourable policy toolbox for the emergence of the religious charity networks in the framework of the 'decentralisation' of the social security system in particular social assistance system. And finally the fight against poverty discourse constitutes a justification mechanism for the replacement of the right-based social assistance system with charity logic. Meanwhile the Europeanization rhetoric especially in the name of democratisation ensured a political legitimization of the religious sects as 'civil society'. In this context, while the individual is represented as a 'brother', political participation via political parties, a trade union etc. is transformed to religious sect affiliations. Consequently, civil society is reduced to brotherhoods and religious networks, whilst democratic rights are limited to religious rights.

We analyze the question of charity state in relation to the transformation of the individual (maintained and reproduced in the domestic order) to labour power (in the

¹⁵ Polanyi explains that dynamics of the modern society was driven by a double movement. The market extends but in response to this expansionist movement a counter movement contradicting with the self-regulating market system emerged. According to him, this counter movement is indispensably important for the protection of the society. (Polanyi 2008:19)

economic order) and political power (in the political order) by showing that this mechanism, in Turkey, operates differently; for it is shaped by a vicious circle. In other words, the deficiencies in democratic participation not only reaches the sphere of social rights but also generates a clientalist system, harming both the development of democracy and extension of social rights.

What appears to us, here, interesting is to explain the functioning of this clientalist system, to understand how this neoliberal communitarian discourse has finds its legitimation through Europeanization rhetoric (in reference to European Social Model), as well as how Europeanization of the political and social order is subverted by religious conservatism which mixes Islamic and ideological (neo-) communitarianism.

Therefore, it is necessary to register our reflections on such social policies within the “strategic coupling” of the State and “capitalist market economy”. (Jessop 2002: 8) It is by conceiving the State in a polycentric way, as a whole of social relations and of a multiplicity of “heterogeneous orders of practices” which are independent subsystems constituting a societal “mode of regulation”, ensuring its reproduction via mechanisms of mediations and communications in interaction with the economic, social and international environment, which lead us to the conclusion that social policy¹⁶ must be regarded as a component of a whole of mediation which ensures ‘social cohesion, the unity of the society and its general system of values, in spite of their fragmentation’ (Théret 1999: 99).

Within this context, we argue that the social mediation of the social security system in Turkey with the political, economic and the domestic order takes place via religious clientalism in which the founding principle of citizenship (Marshall/Bottomore 2006:6) is not any more the civil, politic and social rights but religious values norms, and sentiments. More concretely, the transformation of individual to labour in the economic order and to political power in the political order is thus carried through the social mediation of religious and clientalist charities. On the other hand, in the economic order, an Islam-friendly capitalism presents itself as the new mode of regulation, whereas economic clientelism becomes the principal logic of accumulation. In the political order, governance is transformed into a specific type of religious ‘gouvernementality’¹⁷(Lemke 2000:2) in which political clientalism constitutes the principal logic of action. Within this framework, the polity is redefined via the transformation of the secular social state into a religiously conservative charity state.

¹⁶ We refer to Bruno Théret for a better explanation of the function of the social policy: “More precisely, social will be in this design made up of mediations (or systems of representation) between political order (in which dominates the state administration), economic order (in which dominates the capitalist enterprise) and domestic order (in which the nucleus family dominates). The social thus exists only as a space of the mode of regulation of the society, as a configuration of the mediations articulating its constitutive orders in which heterogeneity otherwise would bring its collapse. Whereas, we consider that the social protection system is a component of such a whole of mediations.” (Théret 1998: 9)

¹⁷ We consider in reference to Foucault’s concept of ‘governmentality’, the religious governmentality as a particular relation between the domestic, political and economic order where the reproduction of the population do not aim the formation of the sovereign citizens but of the docile subjects for a governance based on a religious mentality through a specific discourse which instrumentalize the religion by transforming it to a mechanism of control and domination. (Lemke 2000:3)

Internationalization of Capital Accumulation and Second Generation Structural Adjustment Reforms in Turkey

The Turkish experiment with neo-liberalism could be periodized in four different stages. Briefly, the first stages (1980-1983; 1983-1987; and 1987-1989) particularly aimed at stabilization, liberalization and structural-adjustment (Öniş 1991:29). Since all capital transactions were completely liberalized and the Lira made fully convertible, 1989 could be defined as the beginning of a new stage (the fourth). Although the current literature often regards this decision as Özal's own initiative¹⁸, i.e. a pragmatic/populist political decision taken in response to his declining popular support¹⁹, financial liberalization was introduced to “channel foreign and domestic funds into the highyielding government securities issued to finance the government deficit” (Atiyas/Emil 2005:16). In other words, financial liberalization was to accelerate the pace of the economic growth in the face of declining domestic absorption and end of the export-boom in the late-1980s²⁰. Since then, the growth performance of the Turkish economy is closely linked to speculative hot-money flows.

Within this context, the *1989 decision* and the accompanying reliance on speculative short-term capital inflows, as the primary source of liquidity generation, made the economy more dependent on the newly emerging financial-cycles and more vulnerable to short-term and highly speculative capital-inflows (‘hot money’), exchange-rate risks and to sudden changes in the inflation-rate. Indeed, Turkey has experienced successive economic crises throughout the last decade; the most recent one, the twin-economic crises of 2000-2001, having the most devastating effects on the economy: GNP (in real terms) declined by 9.5% and currency depreciated by 21.2% in real terms during the course of the year (Öniş 2003:15). Unlike previous crises, in which the burden disproportionately fell on wage-earners and low income groups, the 2001 crisis was heavily concentrated on urban areas and led to serious cutbacks among the highly educated-and-skilled workforce: An unprecedented number of workers from the banking sector and media lost their jobs, whereas a significant number of engineers and architects became redundant due to the severe contraction in production (Şenses 2003:99). New recruitments in the private sector virtually stopped and job openings in the public sector also dropped sharply, which hit

¹⁸ The decision was pushed through contrary to the advice of the CB and despite the opposition of some capital groups.

¹⁹ ANAP not only experienced a heavy defeat in 1989 local-elections, but growing unrest also expressed itself in massive miners' strikes. Since the growing labor unrest was combined with a popular discontent towards his economic policies, Özal government announced 100% increases in wages of workers and public servants. This however left the government with the problem of financing the deficit. Therefore, Özal's decision was often criticized for creating a suitable environment for populist-rents (at the expense of mounting debt), corruption and rent-seeking activities.

²⁰ To prevent capital flight and to maintain the continuous flow of short-term resources to finance growing public spending, real interest-rates jumped up to 3-digit levels in the 1990s. However, this short-term foreign capital-inflow based deficit financing raised the interest burden on the budget and consequently created a deadlock for public finance. Each growth cycle (1990-93; 1995-98; 2000) was indeed interrupted with financial crises, as in 1994, 1997 and 2000/2001 (Boratav/Yeldan 2006). Therefore, the *1989 decree* is often regarded as a premature decision in the presence of pervasive economic instability and without an adequate institutional framework to regulate the financial system (Kalaycıoğlu 1991; Öniş 2003, 2004).

recent university graduates most severely. Widespread bankruptcies and layoffs among SMEs and significant declines in the profit-margins of the large conglomerates were also recorded. Both the manufacturing and services suffered huge contractions.

The troubled state of economy and frictions among the political actors after the 2001 crisis created a broad consensus (among the pro-market political elites) that Turkey needs a strong-and-stable government, at any cost. Combined with the need for external financing and foreign investments, the extent of crisis not only strengthened the hand of the IMF but also turned the EU into a more important anchor in securing the capital-flows. With the help of liberal intellectuals and mainstream media, the material benefits of EU-membership have been particularly promoted to break down resistance in domestic circles at a time when the nationalistic sentiments were at its peak vis-à-vis the Kurdish issue. This oppositional but hegemonic discourse (Yalman 2002) then generated in the public the idea that structural reforms (both IMF-initiated economic and EU-related political reforms) are not only necessary but also inevitable to achieve macroeconomic stability. Therefore, the post-crisis setting accelerated the momentum of the reform process. Between March 2001 and August 2002, the coalition-government in line with the Derviş program, initiated a number of constitutional and legal changes (approximately 65 structural reforms), most of which were included in the “structural adaptation” program (Gürkan/Beris 2001:17-22). After the early-elections in November 2002, AKP, following the footprints of the previous coalition-government but holding the advantage of a single-party government, passed a record number of laws from the parliament: the public sector and local-government reforms, the new Labour Code, changes in banking regulations and other EU harmonization packages etc.

Some of these reform plans can be traced back to early-phases of the neo-liberal restructuring (1980s/early-1990s), but the current emphasis on the improvement of the ‘regulatory capacities’ of the state requires a special attention: While the first-generation reforms put more emphasis on full-liberalisation of trade, removal of constraints for capital, privatisation and opening of economies to international financial networks, the new line of thinking (The Post-Washington Consensus) has also emerged in Turkey as a response to the experience with the former mode of neo-liberal experiment (Öniş 2003b; Öniş/Şenses 2007). Indeed, Turkey like Argentina, which had followed the IMF advice, not only failed to maintain economic growth on a sustained basis, but also achieved limited successes in terms of income equality, employment, and poverty reduction (Yalman/Yıldızoğlu 2003). In both countries the debt-led growth of the earlier-phase came to a total standstill following the 2001 financial crisis.

Although by no means can the shift be regarded as a retreat from the neo-liberal restructuring that had started in the 1980s, new policy objectives set by these external financial institutions challenged the basic assumption of neo-liberal orthodoxy on the interventionist strategies. An interesting symmetry was envisaged between the performance of the markets and effectiveness of states that the “states are important for the effective functioning of markets but also markets or market-like mechanisms are important for the effective functioning of states themselves (Öniş/Şenses 2007:15). While the discourse of the dominant economic policy of the first-generation reforms in Turkey promoted concepts such as efficient markets, minimal state, unproductive SEEs, privatisation, the new-phase of neo-liberal restructuring in

Turkey championed concepts such as public reforms, efficient state, civil-society and democracy (BSB 2005). Therefore, the new-phase represents a departure from the 1980 model not because it aims to expand the influence of market to all social spheres, but in terms of the functions assigned to the state, for it imposed the task of redefining and re-arranging the institutional and legal structures of the state to ensure the operation of domestic-markets in tandem with the requirements of the global markets.

More concretely, Turkey's process of opening outward following the 1989 liberalisation of capital-flows was mainly the part of the first-generation arrangements, whereas the financial system regulation received special attention to mobilize capital, secure investor confidence and improve allocation of investments under the new line of thinking. The primary importance attached to privatization is also supported by an increasing focus on competition, which encourages a competitive structure for the state-bureaucracies. Reflecting strongly on the public sector reforms (including health, education and social security services), this understanding argued that SEEs and public agencies can perform as effectively as private sector when they are subjected to competitive pressures (ibid:16). Thus, targets were set to improve the performance in the administrative and economic realm. In the context of the public sector reform initiatives, the second-generation reforms also advocated a constitutional basis for an effective local-government reform which would strengthen the responsibilities and capacities of the local administrations in the realm of social policy. Assigning a more significant role to local authorities was seen as an important step in finding local solutions to poverty-related problems and in ensuring the democratic participation of the people, transparency, and democratic control as well as an important step in the EU accession. For the local contexts may vary due to the social, cultural, economic, ethnic, and political status of the inhabitants and may not be captured by the central authorities.

Socialization of Financial Costs

In close connection with the previous arguments, most studies tend to regard hot-money inflows primarily as capital movements, leaving their implications for social relations untouched in their analyses. The financial liberalization had important distributional implications and macro-economic consequences. It changed the form of deficit financing away from monetary financing towards borrowing from the domestic and international markets. More concretely, it (a) increased the economy's dependence on private financial sources; (b) reinforced the internationalization of deficit financing. For private market-players (commercial banks) became intermediaries who borrowed in the international markets at low interest-rates and lent it to the government from higher rates. Besides, it altered private sector accumulation preferences by driving the funds away from productive investments towards speculative accumulation areas²¹.

However, financial liberalization and second generation regulatory reforms concern above all the popular masses. Taken as whole with structural reforms and

²¹ Figures prove that net domestic borrowing has gradually increased, whereas industrial firms have recorded higher returns from financial activities (BSB 2002).

disinflationary policies, public debt became a key instrument in both appropriating a significant part of public revenues and keeping unemployment and labour costs at a certain level. The growing public sector borrowing requirements, hence the accompanying interest burden on the budget, led to both qualitative and quantitative erosion in social spending, cuts in public sector investments and current expenditures (mostly in the form of personnel costs) and commodification of these services through privatisations and layoffs or forced-retirement of public sector workers (Demir 2005:671). Besides, a growing part of the tax revenues is allocated to cover the public debt/interest payments. In addition to privatizations, there has been an increased reliance on user charges and non-budgetary means of fund-raising in the public sector (Şenses 2003:106).

In this conception, the AKP proved its determination to free the ‘overburdened’ Turkish state from its social responsibilities. A record number of reform packages/laws (537) had passed between November/2002 and April/2007. The public administration reform (comprised of the “Public Sector Reform Law” and the “Local Authorities Law”), passed in 2004, aimed to limit the “authority of the central government, by specifying its tasks and widening that of local-governments, and by assigning them all functions that remain out of the restricted domain of the central government [i.e. domestic and foreign security, justice, primary education, infrastructure etc]” (BSB 2005:37). Put in terms of AKP’s (neo-liberal) jargon, while the public sector law claims to increase transparency and accountability, to strengthen administrative capacity and productivity, to improve the service quality and to maintain sustainability; the local-government law is promoted under the pretext of decentralization, democratisation, deconcentration (widening of authority). Accordingly, since the reform allows both central and local-governments to develop stakeholder relations with private persons, companies and NGOs, it enhances the production and provision of public goods-and-services through market actors and in market conditions. At the same time, it indicates the abandonment of the notion of secure employment in the public sector, for it alters the employment status of public servants from permanent to short-term contractual service and adopts market-oriented performance evaluation methods.

The transformation in the health sector also illustrates how commodification of public services took place under AKP governments (ibid:40-2): The civil-servants were given the “opportunity” to benefit from private health services, but since the contributions by the state were curbed, patients have to close the gap from their incomes to get medical services; fixed-term contractual employment scheme was made the dominant mode of employment, which made it possible to sub-contract health care services and to ‘hire’ health workers via public tenders; the introduction of the performance-based remuneration system not only introduced a competitive environment but also aimed to weaken the solidarity among the health workers; the transfer of SSK-affiliated health facilities to the Ministry of Health opened them to privatization etc (cf Erdoğan 2006; Hamzaoglu/Yavuz 2006 for details). With the most recent reforms, AKP integrated all health insurance benefits provided by different state social security funds (SSK, Bağ-Kur, and ES) under a single roof, and introduced a new retirement insurance program that have increased the retirement age and contribution period, and changed the replacement ratios. The new system based on income-related actuarial premiums, with state contributions for low earners, however is more likely to intensify social exclusion rather than broadening the

coverage of the health system. These reforms not only further divorced the state from its social responsibilities, but also determined to eliminate the notions such as “public benefit” and “public service”.

Furthermore, since the extreme volatility of interest and exchange-rates threatens the earnings of those industrial firms whose profits strongly rely on interest earnings from the public sector securities, they compensate these financial costs from the labour’s share (Onaran 2007). Yet, intensified exploitation takes complex and disguised forms. In addition to reductions in money wages, working conditions have deteriorated to a significant level under the threat of job redundancy. Indeed longer working hours without pay, delays in the payment of wages, offers to give holidays earlier than usual, forced retirement and resignation followed by delays in severance pays became a common practice among the employers after the 2001 crisis (Şenses 2003:101; Onaran 2007a). Since high unemployment-rates force workers to accept flexible conditions and/or to seek jobs in the informal sector, AKP government, as acknowledged in the 2004 Pre-accession Economic Programme, did not have any intentions to leave the disinflationary policies so as to bring down high-unemployment (BSB 2005:14).

The new Labour Act, passed in May/2003, exemplifies AKP’s pro-capital stance on the field of industrial relations (Özdemir/Yücesan-Özdemir 2006): Perhaps the most important aspect of the new law is the introduction of new modes of employment: working-time and employment-mode flexibility. Flexible-hours arrangements gave employers the power to determine the start and finish times, break times, overtimes, overwork etc. Compensatory work allows the employer to demand that the worker work without any corresponding payment to compensate the time where the employer could not use the labour-power; whereas short-time working regulations enable a temporary decrease in work-time to prevent imminent lay-off. These regulations are designed to reduce labour costs. A-typical/non-standard forms of employment contracts (part-time employment, fixed-term contracts, and temporary/on-call employment) were also introduced, which were not recognized in the previous regulations. When these are combined with other features that regulate the rightful termination of work contracts, severances pays etc, the employer, under the new law, is entitled to increase the overall level of absolute surplus-value extracted. TÜSİAD acknowledged that the law is made to their liking (Yıldırım 2006).

Social Security Reform in Particular

The restructuring of social security in Turkey came to the political agenda at the beginning of the 1990s with “actuarial imbalance” and “black hole” discourses (in local idiom) referring to a financial disequilibrium. In response, a new law (law number 4447) reforming certain aspects of the system and aiming particularly to restore the financial imbalance of the retirement system was adopted in September 1999. The modifications applied the indexation of old-age pensions on inflation rates and on gross national income; increased the declaration rate; increased the retirement age to fifty-eight years for women and sixty years for men; and put a compensation system for the unemployed into practice. This law is considered as “the first phase” of the social protection reform and has been subject to many criticisms, summarized with the following expression: “retirement in cemetery”.

In 2001, a transition towards a multi-pillar retirement system took place with the establishment of a new system of retirement by capitalization instituted with a new law called 'Individual Pension Savings and the Investment System Law'. This law envisaged to raise the level of well being by ensuring a complementary income so as to encourage individual savings for retirement. This system of pension fund was presented as a complementary system to the public social insurance system. It was based on the principle of voluntary participation and depended on a defined contributions model. This complementary system was promoted by emphasising its potential macroeconomic functions such as an increase in savings, development of financial markets, and its impact on the privatization process and regularization of labour markets were also particularly emphasized.

The "second phase" of the social protection reform aimed to reorganize the institutions of social protection. In 2006, with laws 5502 and 5510, on one hand, social security institutions were unified under a single institutional roof, the Social Security Institution, while on the other hand, the law introduced a general health insurance within the framework of "transformation in health". Also a social insurance system was established to include all areas except health. The reform package took effect in 2008 in spite of the Constitutional Court's resistance. The new law on social protection (the law of Social Security and the General Health Insurance, March 2008) stands on two main points: social insurance and health insurance. The law reduces the rights of the working population by increasing costs of social security for the associates, while limiting, at the same time, the types and levels of advantages which one can profit from. It justifies a "pay as you go structure". Collection of contributions for social security and universal health insurance is achieved by introducing on occasion additional payments for health services. (Cosar/Yegenoglu 2009)

The legislation establishes responsibility on the state via contributions to the system of social security. However, contribution of the state is fixed at a very low level, covering only one quarter of collected contributions. The law attempts to answer so-called problems encountered by the old system by increasing the retirement age, i.e. by increasing the duration of contribution. It also reduces benefits and services of retirement, disability, and death of a relative. In the field of health insurance, it applies additional charges for received health services, and raises the top limit of the amount of additional charges which can be required from insured individuals and those in their protection. The law progressively increases the age of retirement to 65 years for men and women, with a total contribution period of 7200 days of work. In the preceding law, the first ten years of active life contributed more to the old-age pension, with a ratio of contribution diminishing during the time. In the new system, the proportion of income contributing to old-age pension is fixed constant at 2 percent (before the law, the average ratio contributing to the old-age pension was 2.6 percent). Meanwhile, if employees decide to continue to work after their retirement, a 30 percent reduction of their retirement pensions will be applied. The legislation also brings back a factor of correction applied in the calculation of old-age pensions from 100 to 30 percent of the growth in GDP. In the case of widows and orphans, monthly wages are recalculated on only the basis of rate of inflation without taking into account the growth of GDP. The law also eliminated the minimum level for seasonal workers, provisional workers, as with part-time employees who receive already very

low levels of payments. The minimum level of monthly payments given to those suffered from an occupational accident or a disease resulting in a disability of 25 percent or more also disappeared. (Cosar/Yegenoglu 2009)

AKP's Fight against Poverty and Islamic Networking

On the policy front, this shift was reflected strongly on the public sector reform (including health, education and social security services) and local government reform initiated by the AKP governments. In this context, despite their persisting disadvantages vis-à-vis large-conglomerates, the religiously-conservative Anatolian/provincial businesses found great opportunities under the shelter of AKP governments. Thanks to the public administration reform that limited the authority of central government in favour of local-governments, there has been a rise in the number of public contracts awarded to conservative-businessmen through AKP-run municipalities/local-governments (cf Gülen 2006:154-5).

Moreover, since the late-1980s and early-1990s, the Islamic movement in Turkey has gained the backing of poorer segments of the population through social assistance/services delivered by grassroots/neighbourhood organisations and/or municipal-governments to help cushion the impact of rapid urbanization and neo-liberal transformation. It also aimed to surround the state with its own organisations as the foundations of a new culture based on Islamic-principles. AKP, then, capitalized on some of the inherent strengths of this *Islamic networking* of the 1990s. While the strong local-government record of (ex-Welfare Party) deputies acted as a warranty for the validity of its material promises for the shanty-towns, its grass-roots approach helped to build devoted-cadres among the more affluent sections of the conservative constituency. Indeed, the party organization, partly relying on informal-networks, distinguished by its ability to fill the vacuum created by the decline in social spending (specifically health and education) via community-work: charities, schools, clinics, etc). Since local organizations were relatively autonomous in utilising local resources, devising their own strategy, AKP-dominated municipalities played a crucial role in channelling efforts into housing and basic necessities for the low-income families: These involved the sale of bread, meat, fruit and vegetables at bargain-prices, the distribution of free food during the Ramadan and fuel in winter, and providing support during family celebrations and crisis, e.g., weddings, funerals, circumcision for children of the needy and hospital beds for the sick. The government's decision to provide scholarships and grants for students to the lower middle-classes and the poor mainly profited private schools established by religious orders/networks.

The party's success was therefore also closely linked to its relationship with tarikats and other informal networks, although this was not peculiar to AKP since the relationship between sects and political organizations had a long history. These networks not only played an important role in constituting a capital and consumer base for *some* Anatolia-based SMEs (known also as Islamic-capital), but they were also helpful in founding employment opportunities for those seeking job. Indeed many sect followers and party members were employed in municipal governments, state bureaucracies, companies, schools, hospitals and/or law-firms established by Islamic-capital and networks (Cook 2007; Gümüşçü 2005). It was argued that half of the key ministry executives, provincial governors and other functionaries were AKP

supporters. Therefore, their grass-roots approach not merely targeted the marginalized and excluded shanty-towns (packed with new arrivals from Anatolia), but also included processional middle-classes. This created a body of devoted AKP cadres from all walks-of-life.

Within this context, our main argument is that the AKP government(s) promote neoliberal policies and religious conservative (and communitarian) ideology which reconstructs the republican creed by replacing the link between the citizenship and secular social state with a new one based on community-based religious sects and conservative 'charity state'. Since this shift was also supported by the Europeanization and democratization rhetoric, assigning a more significant role to local authorities, it was seen as an important step in finding local solutions to poverty-related problems and in ensuring the democratic participation of the people, transparency, accountability and democratic control. The project of Europeanization indeed played a dominant role for AKP in its attempt at hegemony. Above all, it allowed AKP to integrate strategically significant forces as subjects with specific interests. Financial crises, massive waves of unemployment and bankruptcies made the potential material benefits of EU-membership more attractive than ever. The advantages of EU-membership is promoted through a much expanded range of institutions and organizations than in the mid-1990s, including mass media, think-tanks, research institutes, trade-unions, political parties, NGOs etc. It is argued that since the labour code in the EU countries is more favourable to labour than current regulations at home, EU adjustments and adaptations would bring better working conditions. It is also said that the integration of the home and European markets would provide job opportunities to the unemployed and wider markets to the non-monopoly fractions of capital and would help Turkey to increase per capita income levels, to close her savings gap, enhance FDI and to benefit from regional development funds. Furthermore, the EU-led reforms provided a favourable ground for AKP to reorganize the dominant state project and mode of political legitimation. As this was accompanied by the crisis in left-wing intellectual-circles, the EU-pressure on democratic rights allowed AKP to formulate religious freedoms within the context of pluralism and the language of rights. This not only ensured AKP to safeguard the wishes and demands of its core religious constituency, but was also instrumental in acquiring political legitimacy in the eyes of the liberal-democratic sections of the intelligentsia who had long been marginalized in the 'secularist camp'. They built a strategic coalition with AKP and assisted the government in formulating the EU membership as a national-popular project whose realization will advance the interest of all of the key sectors of society.

It is worth noting that, most of the literature tends to pioneer the role of the EU project in internal political transformation, particularly in reference to the current democratization agenda (cf Keyder 2004; Keyman/Öniş 2003; 2007; Öniş 2004b, 2005; 2007; Özel 2003). From their perspective the EU stands for a powerful 'external-anchor' endowed with a capacity to generate 'system-transforming impacts'. Such readings however not only understate the role of institutional forms in shaping political class-struggle, but also hardly acknowledge the impact of this struggle on the transformation of the state-apparatus. They rarely mention that the strategic targets of IMF structural-adjustment programs and economic conditionalities of the EU accession overlap to a great degree (see BSB 2005; Yalman 2006; Yalman/Yıldızoğlu 2003 for a critique of the EU-anchor paradigm). However, the EU-project not only

constituted a specific 'policy paradigm' which outlined the conditions of negotiation among the competing interests/demands, but also set the very parameters of the transformation in the form of the state in line with the second-generation reforms outlined below. Indeed the Accession Partnership Document assures the implementation of the program for structural reform negotiated with the IMF and the WB; it thereby guarantees the enactment of the new Labour Code, the liquidation of the state-run health and social security mechanisms, the completion of the privatisation processes, opening of the economy to foreign capital, restructures agricultural and fiscal sector and imposes strict restrictions on other public spending expenditures and public administration via State Personnel Regime Reform, Local Government Reform etc.

Conclusion

To recapitulate the argument so far, second-generation reforms promote an open but well-regulated economy, i.e. an FDI-friendly market-place attracting ever-increasing inward capital-flows at the expense of increasing competition in the homeland, devalorization of certain capital sections, and pushing the masses into poverty. Indeed, after the implementation of the social security reform, a double structure of the system is reinforced: a formal structure resting on social insurance mechanisms in which the logic of market dominates and informal structure resting over social assistance (including those who are not covered by the existing social security institutions - such as the unemployed and the poor) in which the logic of charity dominates. With the decline in such services' effectiveness and, rising difficulty among popular masses in accessing these rights and benefits provided by existing social security institutions, the individual became the sole responsible in his own security. This therefore, though in a roundabout way, ensured a greater space for charity organizations within the social security system. In addition, the process was further facilitated various values, ideas and representations compatible with both the neoliberal ideology and communitarian religious inclinations. In fact, the new social security system brings forward a new logic and system of insurance. Since it was also supported by the AKP's rhetoric of social state, it could be considered clientalist. Moreover, this practice obliterates the principle of citizenship. More concretely, in the absence of an effective security system, citizens become more vulnerable when they confront with the clientalist system. In addition, in order to be able to profit from and included to the system, they "exchange" their voting rights in return a form of charity. The social security system does not refer to a logic based on the rights but to charity logic.

REFERENCES

- Ahrens, J., 2000. Toward a Post-Washington Consensus: The importance of governance Structures in Less Developed Countries and Economies in Transition, *Journal for Institutional Innovation, Development and Transition* 4.
- Atiyas I. & Emil, F., 2005. Political Economy of Governance Failures, Crises and Opportunities for Reform. In FEMISE Country Profiles Project Turkey: Governance and Institutional Issues. Available at: <http://people.sabanciuniv.edu/~izak/eng/research/atiyas%20emil%20femise%20governance.pdf>.
- Präsidenten B.& and Projekte E., 2004. Defining Good Governance: The Conceptual Competition is On, Best.-Nr. P 2004-005 in : Udo E. Simonis (Ed.), Wissenschaftszentrum Berlin für Sozialforschung (WZB) Juni 2004. Available at: <http://skylla.wz-berlin.de/pdf/2004/p04-006.pdf> May 2007 [Accessed: 02/04/2007]
- Bendaña, A., 2004. Whose Governance? Obstacles to the MDGs at the IGNIS-Conference, ISGN/CEI, at Mastemyr (Oslo) 20-21 September 2004. Available at: <http://www.rorg.no/Artikler/740.html> [Accessed: 05/04/2007]
- Bislev, S.& Salskov-Iversen, D., 2001. Globalization and Regulation Discursive: New Public Management, Presented at 16e Nordiska Företagsekonomska Årskonferensen Uppsala 16-18, 2001, p.2. Available at: <http://ep.lib.cbs.dk/download/ISBN/x645152233.pdf> [Accessed: 02/04/2007]
- Boratav, K. & Yeldan, E., 2006. Turkey, 1980-2000: Financial Liberalization, Macroeconomic (In)-Stability, And Patterns of Distribution". In L. Taylor ed. External Liberalization in Asia, Post-Socialist Europe and Brazil, Oxford University Press, pp. 417-55.
- BSB, 2002. On the Letter of Intent and the Turkish Economy at the Beginning of 2002. Independent Social Scientists, [Online]. Available at: <http://www.bagimsizsosyalbilimciler.org> [Accessed: 29.05.2007]
- BSB, 2005. On Economic and Social Life in Turkey in Early 2005. Independent Social Scientists, [Online]. Available at: <http://www.bagimsizsosyalbilimciler.org> [Accessed: 30.05.2007].
- Cosar, S.& Yegenoglu M. ,2009. The Neoliberal Restructuring of Turkey's Social Security System, Monthly Review, April 2009. Available at: <http://www.monthlyreview.org/090420-cosar-yegenoglu.php#fn30> [Accessed: 01.05.2009]
- Çoban, G. & Süerdem A., 2008. La Construction discursive de l'Espace Social Européen : Les paradigmes, les discours et les communautés épistémiques. Colloque 2008 de la Société québécoise de science politique : *Les nouveaux acteurs politiques* 8-9 May 2008, University of Quebec in Montreal, Canada

Demir, F., 2005. Militarization of the Market and Rent-Seeking Coalitions in Turkey. *Development and Change*, 36 (4), pp. 667-690.

Erdoğan, S., 2006. Sosyal Politikada Değişim ve Sosyal Güvenlik Reformu (Changes in Social Policies and Social Security Reform). *Mülkiye Dergisi*, 30 (252), Ankara.

Ewalt, J. A. G., 2001. Theories of Governance and New Public Management: Links to Understanding Welfare Policy Implementation, Prepared for presentation at the Annual conference of American Society for Public Administration, Newark, NJ, March 12, 2001 Available at: <http://unpan1.un.org/intradoc/groups/public/documents/ASPA/UNPAN000563.pdf> [Accessed: 01/04/2007]

Hamzaoglu, O. & Yavuz, C.I., 2006, Sağlıkta AKP'li Dönemin Bilançosu Üzerine (Health Sector during AKP Period). *Mülkiye Dergisi*, 30 (252), Ankara.

Hay, C. & Rosamond, B., 2002. Globalization, European integration and the discursive construction of economic imperatives', in: *Journal of European Public Policy*, 9(2), p.151-152.

Hermans, S., 2005. The Social Agenda of the European Union and the Modernisation of the European Social model. Towards a modernisation of the European Social Model. M. Vuijsteke and F. Olteanu, *Collegium* 33.

Jessop, B., 2002. *The Future of the Capitalist State*. Cambridge CB2 1UR: Polity Press.

Jessop, B. 2004. Critical Semiotic Analysis and Cultural Political Economy. *Critical Discourse Studies*, 1 (2), pp.159-174.

Kalaycıoğlu, E., 1991. Commercial Groups: Love-Hate Relationship with the State. In M. Heper, ed. *Strong State and Economic Interest Groups: The Post-1980 Turkish Experience*. Berlin, New York: de Gruyter.

Kingdon, J.W., 1995. *Agendas, Alternatives and Public Policies*, 2nd edition, New-York: Longman Inc.

Lemke, T., 2000. Foucault, Governmentality, and Critique. *Paper presented at the Rethinking Marxism Conference, University of Amherst (MA), September 21-24, 2000*, (pp. 1-17).

Lyotard, J. F., 1984. *The Postmodern Condition: a Report on Knowledge*, Minneapolis: University of Minnesota Press.

Marshall, T. H. & Bottomore, T., 2006. *Yurtdaşlık ve Toplumsal Sınıflar (Citizenship and Social Class)*. (A. Kaya, Tran.) Istanbul: Istanbul Bilgi Üniversitesi Yayınları.

Maxwell S., 2005. The Washington Consensus is dead! Long live the meta-narrative!, Working Paper 243, Overseas Development Institute, London. Available at:

http://www.odi.org.uk/publications/working_papers/wp243.pdf [Accessed: 08.04.2007]

Onaran, Ö., 2007. Capital Flows, Turbulences, and Distribution: The Case of Turkey. Independent Social Scientists, [Online]. Available at: <http://www.bagimsizsosyalbilimciler.org> [Accessed: 01.06.2007]

Öniş, Z., 1991. Political Economy of Turkey in the 1980s: Anatomy of Unorthodox Liberalism. In M. Heper, ed. Strong State and Economic Interest Groups: The Post-1980 Turkish Experience. Berlin: Walter de Gruyter.

Öniş, Z., 2003c. The Post-war Development Performance of the Turkish Economy: A Political Economy Perspective. In C. Kollias & G. Günlük-Şenesen, eds. *Greece and Turkey in the 21st Century: Conflict or Cooperation?* New York: Nova.

Öniş Z., 2004b. The Political Economy of Turkey's Justice and Development Party. [online] Workshop on *The Transformation of Turkish Politics: The Case of the Justice and Development Party (JDP)*, September 10-11, 2004, The University of Utah. Available at: <http://ssrn.com/abstract=659463> [Accessed: 25.08.2007].

Özdemir, A.M. & Yücesan-Özdemir, G., 2006. Labour Law Reform in Turkey in the 2000s: The Devil is Not Just in the Detail But Also in the Legal Texts. *Economic and Industrial Democracy*, 27 (2), pp.311-31.

Pochet, P., 2006. Le modèle social en débat: évolution récente des acteurs, stratégies et dynamiques, *Projet de recherche: Stratégies pour l'avenir de l'Europe Sociale*, Bilan social de l'Union européenne. C. Degryse and P. Pochet. Bruxelles, ETUI-REHS, pp.1-14

Polanyi, K., 2008. *Büyük Dönüşüm: Çağımızın Siyasal ve Ekonomik Kökenleri (The Great Transformation/The Political and Economic Origins of Our Time)*. (A. Buğra, Tran.) Istanbul: İletişim Yayınları.

Şenses, F., 2003. Economic Crisis as an Instigator of Distributional Conflict: The Turkish Case in 2001. In B. Rubin & Z. Öniş, eds. *Turkey's Economy in Crisis*. Frank Cass.

Sloam, J., 2007. Blair, the Third Way and European Social Democracy: a new political consensus? Paper Presented to "Britain After Blair" Conference, Chicago, IL, August 2007. Available at: <http://www.rose-hulman.edu/~casey1/BAB-Sloam.pdf> [Accessed: 01.04.2007]

Stiglitz, E. J., 1998a. More Instruments and Broader Goals: Moving Toward the Post-Washington Consensus, 1998 WIDER Annual Lecture, Helsinki.

Stiglitz, E. J., 1998b. Towards a New Paradigm for Development: Strategies, Policies, and Processes', The 1998 Prebich Lecture at UNCTAD Geneva, October 1998, p.63-64.

Stiglitz, E. J., 1998c. Redefining the role of the State: What should it do? How should it do it? And how should these decisions be made? Paper presented at the Tenth Anniversary of MITI Research Institute Tokyo. Available at: http://www2.gsb.columbia.edu/faculty/jstiglitz/download/1998_3_Redefining_the_Role_of_the_State.pdf [Accessed: 02.04.2007]

Stiglitz, E. J., 2004. The Post Washington Consensus Consensus, Initiative for Policy Dialogue Working Paper Series, Task Force on Governance of Globalization, November 2004.

Théret, B., 1992. Esquisse d'une Conception topologique et régulationniste de l'interdépendance entre le rapport salarial et l'Etat-providence. *Cahiers du GRETSE* (11), pp.1-84.

Théret, B., 1998. L'État-Providence à l'Epreuve des Comparaisons Internationales. Dans P. Auvergon, P. Martin, P. Rozenblatt, & M. Tallard (Éds.), *L'Etat à l'épreuve du social*. Paris: Syllepse.

Théret, B., 1999. L'Effectivité de la Politique Economique: de la Autopoièse des Systèmes Sociaux à la Topologie du Social. *L'Année de la Régulation*, 3, pp.127-167.

Trubek D. & Mosher J., 2001. New Governance, EU Employment Policy and the European Social Model, Jean Monnet Working Paper 15/01, New York.

Yılmaz, K.R., 2006. 1978-79 Krizi Üzerine Türkiye'de Yürütülen Tartışmalar ve Gelişme Stratejilerini Yeniden Düşünmek (The Discussions on 1978-79 Crisis and Rethinking the Development Strategies). In Yılmaz et al eds. *Yapıcılar Türküler Söylüyor III: Türkiye'de Kapitalizmin Gelismisi* (The Development of Capitalism in Turkey). Ankara: Dipnot Yay.

Williamson, J., 1990. What Washington Means by Policy Reform, in: Williamson, John (ed.): *Latin American Readjustment: How Much has Happened*, Washington: Institute for International Economics.