

**LOCALIZATION OF NEOLIBERALISM**  
SPACE, CULTURE AND MATERIALITY IN SOUTHEAST  
TURKEY

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## Statement

*I hereby state that the thesis contains no material accepted for any other degrees in any other institutions. The thesis contains no materials previously written and/or published by another person, except where appropriate acknowledgment is made in the form of bibliographical reference.*

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## **Abstract**

This dissertation examines the processes of the identity construction of Turkish/Kurdish elites through the lens of an ethnographic research conducted in two cities in southeast Turkey, and analyzes their negotiation and conflicts with local, national and global as they shift across multiple scales and boundaries within historically specific, yet contingent and socially produced places (or contexts). The various and multifaceted phases of capitalist scalar restructuring in Turkey since the introduction of neoliberal reforms in 1980 have not only rescaled localities and imposed a new conception of a fragmented national geography but it also radically reshaped the modes of locality formation and the forms of belonging. This study seeks to extend the theories of state rescaling and neoliberal restructuring to southeast Anatolia, a geography moulded by the civil and exceptional policies of the Turkish state. It aims to contribute to the under-researched area of the impacts of global neoliberalism on southeast Anatolian cities in Turkey, and more importantly provide a critical analysis of the relations between capitalist restructuring, war, belonging and material culture.

This dissertation aims to advance discussions in three areas. First it sheds light on the processes of state rescaling in localities, manifested in the form of various entrepreneurialisms (cultural or industrial) that are embedded in the local activism of local elites (political and economic) in support of a specific trajectory under neoliberalism. Second it discusses various assets/dynamics that serve the local actors to mobilize multi-scalar networks for “jumping scales” and defining particular trajectories under neoliberalism (such as ethnicity, local history, local politics). And it illustrates how material culture and interventions to materiality are strictly related to the “localization” of rescaling.

## List of Abbreviations

AP	The Justice Party
ÇEKÜL	The Foundation for the Promotion and Protection of the Environment and Cultural Heritage)
CUP	Committee of Union and Progress
DDKO	Revolutionary Cultural Centers of the East (Devrimci Dogu Kultur Ocakları)
DISIAD	Industrialists and Businessmen Association of Diyarbakır (Diyarbakırlı Sanayici ve İşadamları Derneği)
DOGUNSIFED	Federation of East and Southeast Industrialists and Businessmen (Doğu ve Güneydoğu Sanayici ve İşadamları Federasyonu)
DP	Democratic Party
DTP	Democratic Society Party
DYP	True Path Party
EBFs	Extra-budgetary Funds
FYDP	Five-Year Development Plans (Bes Yillik Kalkinma Planlari)
GAP	Southeastern Anatolia Projects (Guneydogu Anadolu Projesi)
GAP RDA	GAP Regional Development Administration
GAP-Gidem	GAP Entrepreneurs Support Centre (GAP Girişimci Destekleme Merkezi)
GAPGIAD	Gaziantep Sharing Young Businessmen Association (Gaziantep Paylaşımçı Genç İşadamları Derneği)
GI	General Inspectorships
GIAF	South and Southeast Anatolia Young Businessmen Federation (Güney ve Güneydoğu Genç İşadamları Federasyonu)
GSO	Chamber of Industry of Gaziantep (Gaziantep Sanayi Odası)
GTO	Chamber of Trade of Gaziantep (Gaziantep Ticaret Odası)
GÜNSIAD	Businessmen of the Southeast Association (Güneydoğulu İşadamları Derneği)
HÜRSIAD	The Free Industrialists and Businessmen Association (Hur Isadamlari Derneği)
ISI	Import Substitution Industry
JDP	Justice and Development Party (Adalet ve Kalkinma Partisi)
JITEM	Gendarmerie Intelligence and Fight against Terrorism
KHK	Decrees with the force of Law / Law-decrees

MHA	Mass Housing Administration (Toplu Konut Idaresi)
MNP	National Order Party
MP	Motherland Party (Anavatan Partisi)
MSP	National Salvation Party
MÜSİAD	The Independent Businessmen Association (Mustakil İşadamları Derneği)
OHAL	State of Emergency Rule
OIZ	Organized Industrial Zone
PADs	Priority Areas of Development (Kalkınmada Öncelikli Yörelere)
PKK	Workers Party of Kurdistan (Partiya Karkerên Kurdistan)
SHP	Social Democrat Populist Party (SHP)
SMES	Small Medium Size Enterprises
SPO	State Planning Organization (Devlet Planlama Teskilati)
TİM	Assembly of Turkish Exporters (Türkiye İhracatçıları Meclisi)
TİP	Workers Party of Turkey
TİSK	the Trade Union Confederation of Turkish Businessmen
TOBB	Union of Chambers and Commodity Exchanges of Turkey
TÜSİAD	Industrialists and Businessmen Association of Turkey (Türkiye Sanayici ve İşadamları Derneği)

## Table of Contents

ABSTRACT.....	3
LIST OF ABBREVIATIONS.....	4
TABLE OF CONTENTS .....	6
1. FRAMING THE STUDY: MATERIALITY, SPACE AND NEOLIBERALISM .....	8
1.1 <i>Research Objective</i> .....	9
1.2 <i>Organization of the Research and Operationalization of the Key Concepts</i> .....	16
1.3 <i>Research Sites</i> .....	27
<b>PART I: RESCALED ACTORS AND REDEFINED LOCALITIES .....</b>	<b>38</b>
2. RESCALING STATES AND NEW STRATEGIES OF POWER .....	43
2.1 <i>Theoretical Foundations</i> .....	43
2.2 <i>The Gated Industrialization</i> .....	47
2.3 <i>Export-Oriented Manufacturing and Intensifying Inter-City Competition</i> .....	53
2.4 <i>The Rediscovery of the Urban</i> .....	64
2.5 <i>Recapitulation</i> .....	70
3. POLITICAL ACTORS OF THE NEOLIBERAL TURKEY: JUMPING SCALES? .....	73
3.1 <i>Political Islam</i> .....	75
3.2 <i>Kurdish Movement In Turkey</i> .....	85
3.3 <i>Recapitulation</i> .....	97
4. FROM INTERCITY COMPETITION TO INTRA-CITY COMPETITION.....	100
4.1 <i>The Production of a Local Rule Regime</i> .....	102
4.2 <i>Cultural Centre of the Middle East</i> .....	114
4.3 <i>Recapitulation</i> .....	124
<b>PART II: “WHOM ARE YOU DANCING WITH?” .....</b>	<b>128</b>
5. HISTORICAL FOUNDATIONS.....	138
5.1 <i>An Economy of Abandonment (1915-1922)</i> .....	141
5.2 <i>Building the National Economy of the New Republic (1922 - 1940)</i> .....	148

5.3 <i>Demarcating An Exceptional Geography</i> .....	151
5.4 <i>The Limits of Capital Accumulation</i> .....	157
5.5 <i>Recapitulation</i> .....	162
6. THE FOUNDATION OF THE NEOLIBERAL MARKET .....	165
6.1 <i>The Restructuration of the State</i> .....	169
6.2 <i>The Legal Foundations of the Neoliberal Reforms and the Civil War in Turkey</i> .....	174
6.3 <i>Recapitulation</i> .....	190
7. THE BOUNDARIES OF THE MARKET .....	193
7.1 <i>'Neglect' in the 'Normal' Geography</i> .....	194
7.2 <i>Waiting for the Investments</i> .....	210
7.3 <i>War in Outer Spaces, Opportunity, and Ethnicity</i> .....	217
<b>PART III: MATERIALITIES</b> .....	<b>223</b>
8. CLAIMING AUTHENTICITY .....	226
8.1 <i>Branding The City: Make it Different or Perish</i> .....	227
8.2 <i>Remembering the City: The History Haunting the Present</i> .....	233
8.3 <i>Consuming At a Distance: Geographical and Ethnic Boundaries</i> .....	243
8.4 <i>Bringing the Culture Back</i> .....	246
8.5 <i>Recapitulation</i> .....	248
9. CLAIMING THE HERITAGE: STONES, WALLS AND THE CITADEL .....	251
9.1 <i>Dreaming the City</i> .....	252
9.2 <i>Building the City: Construction Sector and Kayapinar</i> .....	257
9.3 <i>Challenging the Past: Who owns the City Walls of Diyarbakir?</i> .....	260
9.4 <i>Recapitulation</i> .....	265
10. CONCLUSION .....	268
<b>APPENDIX</b> .....	<b>278</b>
<b>BIBLIOGRAPHY</b> .....	<b>288</b>

## 1. Framing the Study: Materiality, Space and Neoliberalism

Objects matter. As anthropologists and sociologists have shown they have always mattered. They serve culture by maintaining social relations as well as making “visible and stable the categories of culture” (Douglas and Isherwood, 1980: 59). Yet, they are strongly affiliated with identification processes as they serve people to create “alternative existences for themselves” (Friedman, 1991: 159) or to develop relationships through the act of shopping (Miller, 2001). In the last thirty years, fueled by the discussions over globalization and global culture, there has developed a tremendous literature dealing with consumption and the act of shopping. Despite quite limited studies on public consumption (Castells, 1977; Saunders, 1986) and the spatial perspectives to the processes of production and consumption (Zukin, 1998; Soja, 1996; Sack, 1988; Goss, 1993) most of these works focused on individualized acts of consuming and its relation with more established referents for identification such as class, modernity, nationalism or ethnicity. Consumption has become a moving and evasive concept, an analytical weapon for the scholars in order to decipher the fantasies, dreams, and life worlds of the people they study. As lockers of displaced meanings, markers of habitus or systems of signs, our relation with the material world is inseparably linked to our continuous search for identification. Material world is a mirror by which we know or become what we are (Miller, 2005). This constitutes one of the basic arguments of this research.

Yet, our relation with the material world is never an individualized relation freed from the intermingled power zones of macro structures such as markets, and actors such as states, international and supranational actors. But more importantly, our relation with the material world is inscribed in spaces and place making processes as materiality, that is to say the web of meanings woven around things, gives shape to as well as is shaped by the “lived and conceived spaces” (Lefebvre, 1991). In the last twenty years, there is a wide-ranging interest in socio-political spatial formations that has induced a critical spatial perspective in social theory. This “spatial turn”, mainly building upon Lefebvre’s seminal work of *The Production of Space* and merging with the already existing urban studies literature, created a tremendous body of studies that deal with the spatiality of economic and social structures, and question “state spatiality” and spatial strategies of actors in relation to global capitalist structuration (Massey, 1984;



Massey et al, 1993; Harvey, 1982), class structure and migration in global cities (Sassen, 2001; Knox and Taylor, 1995), state sovereignty (Gupta and Ferguson, 2001), new forms of local state formations (Harvey, 1989; Lovering, 1999) and so forth.

Taking this inquiry a step further, a massive critique has evolved around the concept of the “politics of scale,” which worked into the analysis not only the new “uncertain geoeconomic environment”, or to put it differently the *hierarchization* of spatial units including a highly and globally competitive inter-local order, but also the scalar structuration among these units as well as actors. Neoliberalism, as argued by many authors from this strand of thought, brought the urban spaces to the economic and political agenda of states and local actors as a new strategy of capital accumulation, and dismantled the previous interactions among the national/local/supranational scales. Such an emphasis on the shifts in global capitalism and spatiality for understanding materiality brings forward the second initial assumption of the study. Global neoliberalism forces us to frame materiality with reference to global/local entanglements in space, which includes a hegemonic battle between various classes and interest groups as well states and international institutions as actors intervening to these processes.

### ***1.1 Research Objective***

The objective of this study is to ponder over such theoretical concerns and provide an analysis of the relationship between materiality, place-making processes, and neoliberalism by focusing on two cities from the southeast region of Turkey, namely Diyarbakır and Gaziantep. As will be discussed in the following section, studying materiality is never an end in itself; rather it is a way of examining the production and reproduction of identifications, relationships and various forms of existence for living beings. It is also a productive tool for unveiling the ways in which macro structures interact with localities. In this sense, the objective of this study goes beyond analyzing material culture. Rather, this study attempts to give an account on the processes of identity construction among Turkish/Kurdish elites, in particular their negotiation and conflicts with local, national and global as they shift across multiple scales and boundaries within historically specific, yet contingent and socially produced places (or contexts). Then, very broadly, this study aims to contribute to the under-

researched area of the impacts of global neoliberalism on southeast Anatolian cities in Turkey.

For the purposes of this study, I have outlined four main themes around which my analysis will revolve: (a) the impact of both globalization and neoliberalism on spaces as well as materiality and how the formers may complicate the meanings people attach to things and the relations between things, (b) the altered relations between identifications of ethnicity, nationalism and class with material world and space, (c) the agents/actors/processes that give shape to the relations between things as well as spaces, and (d) the identification strategies of local elites in this altered setting.

To this end, I will attempt to sketch

- The spatial consequences of neoliberalism on urban economies (What are the effects of neoliberal policies on local state institutions and local actors? What are the role of states and international actors in place-making processes under neoliberal demands? Do municipalities have an influence over reproduction of space? Or is it the other local actors?)
- Various faces of neoliberalism in localities (How do localities react to the rescaling state? What may be the possible strategies they develop in order to survive in the entrepreneurial logic of neoliberalism? How does production of locality or strategies related to materiality account in their attempts to articulate to global order?)
- The embeddedness of neoliberalism in historical and political contexts (Is neoliberalism a blank starting state for localities? How do neoliberal policies interact with local cultures and histories? To what extent do historical political contexts determine the various outcomes of neoliberal turn in localities? How does this make a difference in terms of articulating to the “global”?)
- The altered relation between materiality and spatiality under neoliberal demands (Do neoliberalism and its interventions on spaces alter the meanings attached to material objects, buildings or places? How do spatial strategies of local actors under neoliberal policies account for a variation in producing the spaces of consumption?)
- The interplay between materiality, class and ethnicity (How does this altered urban setting change the particular power balance between and among local elites? What are the social contexts in which goods and material objects are attached to ethnicity, class divisions or religion?)

The empirical template that I will pursue this discussion will be contemporary Turkey, more specifically Southeast Turkey. Turkey is a good lens through which these questions can be examined from the perspective of a number of reasons. One among these is the economic record of the country. Similar to various examples in South America and Asia, neoliberal restructuring in Turkey dates back to the end of

1970s, and is based on a direct intervention by IMF through Structural Adjustment Programs (SAPs). Through rapid liberalization programs following the 24 January 1980 package, Turkish governments gradually steered the economy towards a market-led system characterised by privatisation, deregulation, decreasing public expenditures, and the provision of the private sector. Rapid liberalization of foreign trade and the foreign exchange system as well as tightly controlled wages policies and agricultural prices policies resulted in a significant increase in exports of manufactured goods until the mid-1990s, and at the expense of sharp income inequality that mostly hampered wage earners and salaried employees (Boratav, 2004, 2005b, for the liberalization of Turkish economy see Öziş, 1991; Nas and Odekon, 1998). However, internationally Turkey became one of the success stories in the developing world. Having examined the economic performances of “the more advanced developing countries” over the period 1981-1996, UNCTAD concludes that Hong Kong (China), Malaysia, Mexico, Republic of Korea, Singapore, Taiwan Province of China, and Turkey are among the most successful third world exporters of manufactures. (Hart-Landsberg; 2006).

By the end of 1990s, Turkey was still among the major exporters of manufacturers of developing countries along with Brazil, China, Hong Kong, Taiwan, India, Korea, Malaysia, Mexico, Philippines, Singapore and Thailand (unctad.org). Two successive crises in 1995 and 2001 as well as disappointment due to relative stagnant growth rates compared to first generation Asian NICs (South Korea and Taiwan) or second generation NICs (Malaysia and Taiwan) emanated a second assault on the realization of the neoliberal turn. Following the late 1990s, the effects of neoliberal policies became more tangible and intensified (as will be discussed in the following chapters). What characterized this turn was definitely a shift in accumulation regimes, bringing urban spaces in the heart of a new strategy of capital accumulation.<sup>1</sup> Interestingly, this second assault in the beginning of the 2000s overlapped with a political shift in Turkey, namely the rule of JDP (Justice and Development Party).

Second and related to the above discussion, Turkey is also a valued case regarding the interactions between political struggles (centered upon ethnicity and religion in

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<sup>1</sup> There is a growing literature on the transformation of urban spaces under neoliberal demands mainly dealing with gentrification and housing markets in Turkey. These studies are mostly questioning these spatial interventions in Istanbul's case. For a more comprehensive analysis regarding the shifts in capital accumulation strategies and spatiality, see Bayirbag, 2009; 2010.

Turkish case) and economic restructuring processes. Kurdish question on the one hand and political Islam on the other, Turkish example allows a better understanding of the production of localism by mobilizing ethnic and religious networks and referents. The rise of political Islam and the victory/ies of JDP as a pro-Islamic party in the elections also signaled the triumph of a new form “localism” in small and medium size cities in Anatolia. This localism defined on the basis of religion (Islam) and liberal ideals not only strengthened the political position of JDP government but also led to the emergence of a growing literature on the Islamic *nouveau-riche* and Islamic lifestyles. These studies most of the time turn a blind eye on the shifts in accumulation strategies in Turkey and the strong commitment of JDP and newly emerged “Islamic” capitalists to neoliberalism and propose confined analyses, which are deeply problematic, that revolve around Islamic dressing, fashion, movies, TVs, hotels and so on. However, as will be discussed in the following pages, as a form of localism embodied in business networks such MUSIAD (Independent Businessmen Associations) and HURSIAD (Free Businessmen Associations) and partly nested in religious communities such as Gulen community, the Islamic movement in Turkey is a multi-layered phenomenon that has its roots in the attempts of local business elites in Anatolian cities to seize political power and representation since the 1970s.

The introduction of the Kurdish issue makes the picture even more complicated. As a transnational question that swells over the confines of Turkish territory, Kurdish question is the most serious internal problem in Turkey. Following the Helsinki Summit, which declared Turkey’s full candidacy for EU, Turkish political elite partly revised its assimilatory policies to the Kurdish populations. Moreover, due to the growing sphere of influence of the Kurdish nationalist movement, both its militarist and political branches, as well as the intensified pressure of the international public opinion, Turkish state gradually has withdrawn from the dominant state discourse, which perceives Kurdish question as a socioeconomic problem in the southeastern region and a problem of “terrorism that is dependent on external support from foreign states aiming at weakening Turkey”. Rather, in 2000s, this discourse is replaced by the sporadic attempts on the parts of the JDP aiming to recognize the cultural distinctiveness of Kurdish populations and include them into the party’s hegemonic project. The foundation of a state-sponsored TV channel broadcasting in Kurdish or the so-called “Kurdish Democratic Initiative” should be contextualized within this

context. The sporadic attempts by the JDP created a huge mistrust on the parts of the Kurdish movement and resulted in a conflicted relation with the JDP and the Kurdish party, DTP (Democratic Society Party), which can be observed not only at the national level but also at the level of local politics. This brought a tense relation between the local economic elites and local political elites in urban economies, specifically the cities ruled by DTP municipalities (which is going to be discussed in Part 1/Chapter 4).

For all these reasons, Turkey and specifically southeast Turkey stand out as exceptional and valued sites for discussing not only various outcomes of neoliberal policies and their effects on class structure but also how ethnicity, religion and neoliberalism are intermingled in urban spaces. Such an inquiry would shed light on the neoliberal experience (and its relation to space and material culture) in other parts of the developing world, such as Malaysia, Korea, India, Brazil as well as Middle East countries that go under rapid liberalization programs through either SAPs or national economic programs. It also allows making comparisons with the “localization” of neoliberalism in Europe and North America and discussing how they differ compared to the developing countries that *imported* the neoliberal political and economic structuration. Furthermore, it may induce critical insights on the interaction between neoliberalism, ethnicity and national sovereignty and how they, later, intertwine with materiality. Given the insurgence of ethnic conflicts and rooted nationalist identifications as part of the global world (Friedman, 1994) as well as the increasing number of debates and discussions on “muticulturalism”, “communities”, “identity politics” all over the globe, it is necessary to discuss how interventions to material culture as well as the strategies of creating “consuming bodies” serve articulating to neoliberal order and how culture, ethnicity as well as nationalism are employed as strategies.

### **1.1.1 Theoretical Frame and Arguments**

The theoretical frame of this research stems from different but partly intersecting threads within the general literatures on neoliberalism, and material culture. These are: rescaling perspective on neoliberalism, discussions on globalism and new localism; theories on materiality and its relation with identity formation, and culture. I find rescaling perspective constructive for the purposes of my research as such

perspective, which is based on a quite dynamic analysis of the global neoliberalism, offers a better explanation of not only the macro transformation in the world regarding state spatiality but also it provides the research with the necessary tools in order to trace the local agents of this macro transformation, *collecting*, *translating* and *disseminating* or *challenging* and *transforming* the know-how of neoliberal integration to the world. It also allows *assessing* localities without losing sight of the multiplicity of their social and economic structures.<sup>2</sup> However, the works in this growing literature (Brenner and Theodore, 2002; Brenner, 1998; 2001; 2004; Brenner et al, 2010a; 2010b, Jessop, 2002; Smith, 1993; 1996) need to be supplemented with *thick* analyses of locality as they, most of the time, provide macro analyses centered upon state, institutions and regulations. The necessity of such analyses notwithstanding, the strategies of local actors in localities and the ways in which localities are produced as well as their interactions with macro transformations, state spatiality, regulations or institutions remain unclear.<sup>3</sup> Moreover, although scaling perspective leaves room for the relation between political struggles and the embeddedness of neoliberal policies, there are very few works analyzing how these policies interact with narratives such as nationalism, of the dominant or of the oppressed, in localities and provide the local actors with necessary strategies to “jump scales.” (Smith, 1993)

As of theories on consumption and material culture, it is almost the contrary. Too much focused on individuals and the identifications of individuals with reference to macro changes such as globalism or neoliberalism or ideologies such as nationalism, religion or modernity many studies in material culture literature fail to acknowledge the role of institutions, states and local agents who intervene into not only materiality but also spatiality. The gradual fall of the literature on public consumption (such as the early work of Castells and Saunders), in a way, strengthened this abovementioned thread in consumption studies. In this sense, there is an urgent need to reformulate the

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<sup>2</sup> A similar line of criticisms has arisen from migration studies by Glick-Schiller, and Çağlar, 2006, see also Çağlar, 2007; Schiller and Çağlar, 2009) who contend that the ethnic lens in migration scholarship not only reinforces methodological nationalism, but also positions migration settlements on a neutral spatial grid by disregarding “the role of city scale in shaping migrant pathways of settlement and transnational connection”. Based upon the scale perspective developed in urban studies, they call for an assessment of scalar position of localities, which allows one to position localities within the intersection of hierarchies of power.

<sup>3</sup> In Turkish case, please see Bayirbağ (2009) who study the roots of local entrepreneurialism in Antep, Turkey.

relation between state, local actors and consumption in global neoliberalism – once formulated in collective consumption debate, but led slip from the memory of consumption studies.<sup>4</sup> Hence, by discussing how local agents, states as well as international institutions intervene into the sphere of spatiality of cities, I attempt to show how materiality is used as a means/strategy of surviving in the neoliberal order by the localities. This is why the trajectories of cities under neoliberal policies are the central fields of inquiry in this research. The second question, which needs to be considered, is how these strategies are adopted/challenged or resisted by the urban dwellers. Closely aligned with the perspective, which emphasize the contextual and constitutive aspect of consumption (Miller, 1987; 2001; 2005; Friedman; 1991; Çağlar; 2002), I plan to situate consumption practices in a wider perspective, which allows discussing their dialogue with not only ethnic, national and religious identifications but also actors such as municipalities, state and international institutions.

In the light of the above discussion, then, this study aims to (1) shed light on the processes of state rescaling in localities, manifested in the form of various entrepreneurialisms (cultural or industrial) that are embedded in the local activisms of local elites (political and economic) in support of a specific trajectory under neoliberalism, (2) discuss various assets/dynamics that serve the local actors to mobilize multi-scalar networks for “jumping scales” and defining particular trajectories under neoliberalism (such as ethnicity, local history, local politics) (3) to illustrate how material culture and interventions to materiality are strictly related to the “localization” of rescaling (4) to create links between macro transformations and life projects of people.

Through the cases of Diyarbakir and Gaziantep, I attempt to illustrate how interventions to materiality include not only discursive but also spatial involvements of various groups in urban economies as well as states and institutions. The concepts

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<sup>4</sup> One of the first attempts of conceptualizing the city in relation consumption patterns was that of Castells (1977). Castells argues that urban organization is an arrangement of spatial forms, which are the expressions of the process of collective treatment of the daily consumption patterns of households (16). Saunders (1986: 167) criticizes Castells on the grounds of his functionalist approach to city and consumption as well as his stable analysis of urban classes. However, as already argued by a number of scholars, Castells’s focus on “collective consumption” should be supplemented by an analysis of the historically specific scalar divisions of regulation under the welfare state, which defined local and municipal state apparatuses as instruments of public service provision and infrastructural investment within national territory (Martin and Sunley, 1997; Jessop, 1999 cited in Brenner, 2001).

of “strategies of appropriating local history” and “strategies of externalization” are introduced in order to discuss the hegemonic struggle between these actors in justifying their involvement in material culture and attempts for repositioning their localities in the geo-economic hierarchies of neoliberal order. Since remembering is always partial, certain significant moments, elements or periods in local histories are selected, emphasized, polished and then externalized in the form of commodities, museums, art centers or cinema complexes. In this sense, the trajectories – that is to say, the localization of neoliberalism – are bounded by not only economic assets (such as investments by the state, economic institutional frames) but also by broader political struggles and local political dynamics. On the other hand, the “strategies of dissemination” are introduced in order to discuss how localities are reconstituted in the reproduction of consuming entities (see Part 3). The reproduction of consuming entities is significant for not only the perpetuation of capitalist reproduction but also for constituting political bodies (Berghoff, 2001) – be it hegemonic or counter-hegemonic.

### ***1.2 Organization of the Research and Operationalization of the Key Concepts***

Once Cassirer (1962: 5) wrote that “truth” in social sciences is the “offspring of dialectical thought” as it can be gained only through a constant cooperation of the subjects in mutual interrogation and reply, hence “the outgrowth of a social act”. In a similar fashion, building upon Polanyi’s work Burawoy (1998), calls for a reflexive model of science that included multiple dialogues to reach explanations of empirical phenomena. His theory of *extended case method* is based on a three sets of dialogues that are embedded in each other starting from the dialogue between observer and participants, and then a second dialogue between local processes as well as extralocal forces. These two dialogues, in turn, should be comprehended through a third one: the dialogue of theory. And, his extensive field method, Burawoy continues to argue, necessitates a continual internal *problematization* of the researcher herself during the praxis of field – finding anomalies and reconstructing the theory during the fieldwork. This tripartite structure is quite fruitful in discussing the research process of this study as well as the structure of this dissertation. In this section, I will touch upon each step of these three sets: first by reconsidering fieldwork in a globalized and deterritorialized world, second by discussing how my theoretical frame interacts with



the way I organized my field research, and then by explaining the research process, data collection and how they are operationalized.

### **1.2.1 The Question of Locality and the Deterritorialized Fieldwork**

The global turn in social sciences has created a massive literature since the mid-1980s, bringing out an inventory of concepts and theories challenging earlier theoretical constructions of “nation” and “nationhood” as homogenized and bounded, and of “identities” as unitary, fixed and stable, personifying cultures and nation-states. In social anthropology, it also gave rise to a critical thinking regarding the basic *praxis* of anthropologists and anthropological knowledge, that is to say the fieldwork. In the 1990s, the main preoccupation in anthropology and ethnography was to delineate the better methods for grasping the nature of “locality as a lived experience in a globalized *deterritorialized* world”. Arguing against a notion of the field as a spatially bounded experience, Gupta and Ferguson (1997: 24-4) argued that anthropology cannot confine itself to the “conventional ethnographic method of participant observation” but employ “creatively eclectic methodological strategies” by combining anthropological tools with more macroscopic approaches, which allows a critical interrogation of “cultures” and “localities”.

This may be particularly valid for urban studies literature in which the distinction between *studying the city* and *studying in the city* may be easily blurred and runs the risk of essentializing the city or the neighborhood under scrutiny as a given or natural category, a conveyor of certain distinct characteristics in which cultural and sociopolitical manifestations of the macro processes and everyday practices can be best understood. The distinctiveness of cities, just like that of societies, nations, and cultures is predicated on a seemingly unproblematic division of space and categories such as ethnic city, divided city, sacred city, global city seem to operate on a neutral grid. Nevertheless, the demarcation of any physical space takes place in a system of hierarchically organized spaces and in a discursive framework, which not only defines and naturalizes the units of analysis (such as nations, societies, cities, or villages) but also the possible conceptualizations of relations within them. Thus, any analysis of urban space should be sensitive not only to the hierarchy between cities but also the implicit hierarchy between places, or spatial units of analysis that are very much related to how the *political* is defined.

Attempts for a revised notion of fieldwork in the “global era” created a critical body of works in anthropology (Appadurai, 1996; Burawoy, 2000; Tsing, 2008). Multi-sited ethnography, a growing trend in anthropological research, is one of such attempts. Coined by George Marcus (1995) and based on the assumption that culture is embedded in world-systems, multi-sited ethnography extends the traditional method of fieldwork through multiplication of sites spatially and temporally. According to Marcus, through following a “thing”, for instance a particular commodity, or a “people”, a “metaphor” across spatial and temporal boundaries, researchers may reach to enriched analyses of the relations between localities and world-systems. Marcus’s multi-sited ethnography has been widely acclaimed and created its empirical resonances in many parts of the world. His method, however, excludes the dynamic processes by which sites are transformed by their external connections as well as political processes that aim to naturalize local communities. By taking place for granted and ignoring the production and transformation of sites, Marcus turns the ethnographer, into a “chronicler of self evident places”. (Gille and O’Rain, 2002). Given the altered role of space as a new accumulation strategy under global neoliberalism, multiplying the contexts and sites is inadequate and risks the confined discursive descriptions of the question under scrutiny unless place-making processes are included into the analysis.

### **1.2.2 Scales of Cities: Between the Method and the Theory**

Then, what may be the possible “creative methodological” interventions for challenging the traditional notion of space and locality in anthropology – a kind of an isomorphism of space, place and culture – in which “space [is] a kind of a neutral grid on which cultural difference, historical memory and societal organization is inscribed” (Gupta and Ferguson, 1997: 34)? The rescaling perspective, here, deserves particular attention. Instead of discussing at length the theoretical foundations of this perspective (please see chapter 2 for a detailed discussion), I will briefly focus on three methodological hypotheses of the rescaling perspective by discussing their significance for an ethnographic study that aims to bypass the pitfalls of a bounded analysis (for a detailed analysis of the methodological mis/usages of scale theory, see Brenner, 2001).

(1) *Geographical scale is an important dimension of sociospatial processes – such as capitalist production or state regulation – and continually re-established through social interactions.*

Geographical scales, as platforms for capital circulation and uneven development, are socially constituted and are historically subject to change through contestations. In this sense, there is “nothing ontologically given about the traditional division between home and locality, urban and regional, national and global scales”; the differentiation of geographical scales is rather “established through the geographical structure of social interactions” (Smith, 1992: 73). Scalar structuration, which is not given, has transformed under neoliberal demands, allowing actors – states, local actors, NGOs, to “jump scales” and engage in multi-scalar networks. For this reasons, any study based on the politics of scale should take into consideration various forms of engagements and interactions between the local, national and supranational, in the form of multi-scalar networks and alliances. Localities are situated within a broader field of power transcending the borders of nation-states where hierarchies between *global/national/local* scales are dismantled and supra-national institutions, transnational networks, as well as the nation-state become important players (Brenner and Theodore, 2002; Brenner, 1998; Smith, 1993).

(2) *Rescaling processes under neoliberal demands has created a hierarchization in space; a geometric competition among cities, city-regions.*

Expanding the distinction between the ‘urban managerialism’ and ‘urban entrepreneurialism’<sup>5</sup> (Harvey, 1989), the rescaling literature defines the scalar space as a hierarchized mosaic on which localities are scattered. As argued by a number of scholars, in the new ‘uncertain geoeconomic environment’ marked by neo-liberal policies, cities have become the zones of experiments (i.e. place marketing, urban development corporations, public private partnerships, enterprise and empowerment zones and so on) and key institutional arenas in and through which neo-liberalism is itself evolving (Brenner and Theodore, 2002: VII-IX, 21). With the erosion of the welfare state, cities need to work within a framework of “urban entrepreneurialism” and increasingly compete globally and respond to global institutional forces, as well as state policies, in order to survive in this new entrepreneurial logic. In this highly

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<sup>5</sup> Beginning from the mid 1970s “entrepreneurialism”, Harvey argues has become a kind of urban governance, which aims at fostering and encouraging local development and economic growth. In “managerialism” of the era of the welfare state, urban governments were preoccupied with their *redistributive role*, i.e., the local provision of services and facilities to urban populations.

competitive inter-local order, cities are transforming as they seek to promote new strategies and tactics in order to promote economic rejuvenation from below and climb to top in this inter-local competition. In this sense, the scaling perspective also implies breaking up with a general, however implicit, conceptual hierarchy in the scholarship on global economy, which at its best is embodied in “global city” literature. Disregarded mainly by the literature on global cities and macro-analyses of neoliberalism, medium and small cities also emulate globalization and dissolve “differentiated globalizations” on their own scales (Drieskens and Mermier, 2007).

(3) *Rescaling processes are historically embedded in institutional and ideological frames.*

Cities and inter-city competition under neoliberal policies is subjected to politico-economic factors that lie beyond their control. Implications of neo-liberalism create significant disparities and unevenness between regions, cities, or city-regions, which are “path dependent”. In this sense, neoliberal restructuring projects are embedded in national, regional, and local contexts defined by the legacies of earlier institutional frames, policy regimes, and political struggles (Brenner and Theodore, 2002: 350-2). This necessitates a *problematization* of the role of the state in shaping the particular trajectories of cities under neoliberalism. Industrial agglomeration, infrastructural investments, and demographic movements within a state territory are strategically regulated and reorganized through state subsidies, the provision of key infrastructural facilities and public services, and creation of certain economic zones (Brenner, et al, 2003; Shaw, 2003).<sup>6</sup>

These three methodological assumptions constitute the central tenets of the research design of this study, and enable a more comprehensive approach to global neoliberalism by equipping the analysis with necessary tools for (1) globally situating localities in a broader mosaic of power relations including regions, sub-regions,

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<sup>6</sup> Numerous authors, already by the late 1970s, marked growing inequalities between regions and traced these inequalities back to earlier stages of space-forming activities. Soja and Tobin (1977) argued that “crucial decisions” are made at the early phases of development that establish a framework of “locational advantage”, which is inclined to embed itself within the developing spatial system. Similarly, Amin and Trift (1997) made a warning in the case of the European Union by stating that neoliberalization – the rolling back of the welfare state, deregulation, and the unification of markets on a European scale – will bring only the transfer and consolidation of resources towards the “core regions”, which offer the highest returns. In their recent study, Doreen Massey, John Allen, and Allan Cochrane claim that spaces/places are constructed “both materially and discursively”, and the complex ways in which a place is constructed and read at any time is a result of long histories and of what is made of them (Allen et al, 1998).

nations (2) assessing localities with reference to not only traditional measurement units<sup>7</sup> but also their local dynamics that enable mobilizing multi-scalar networks and actors at different scales (3) contextualizing localities in historical narratives in order to trace the embeddedness of the global and neoliberal conditions on a historical grid pertaining to state sovereignty, hegemonic and counter-hegemonic ideological frames (Glick Schiller and Caglar, 2006).

### **1.2.3 Materiality: Tool for Understanding the Localization of Neoliberalism**

Another methodological intervention that stems from the theoretical frame of this research is to include consumption as a methodological tool for understanding the effects of neoliberal transformation in everyday life practices, life worlds of people and new forms of differentiation and conflicts. First, an analysis of consumption practices allows a better frame for grasping the volatile experiences of everyday life moulded by desires, fantasies, conflicts, resistance and obedience. In the last twenty years, a large number of studies are based on the assumption that global experiences alter every day life practices of people, city dwellers, villagers and the like. However, the concept of everyday life runs the risk of becoming an expanding concept, a fluid and continuously moving framing target, which may blur easily the analytical tools with which it has been studied. In this sense, consumption as creating a link between the materiality and everyday life practices may provide concrete examples, routines and attitudes for scholars to study.

Second, consumption is not an individual act of the consumers but a part of larger social, political and economic phenomena. As will become clearer in the following pages, consumption emerges out of particular configurations of political, economic and cultural forces (local and global), and its analysis inevitably necessitates not only the changes in economic restructuring but also the ways in which social experience is generated, or more specifically how consumers are constructed (Friedman 1990; 1994). Then, consumer goods are not mere reflections of a priori constituted social relations or identities but they are ‘a major constituent of modern culture’ (Miller, 1987: 193). They are, with Miller’s words, an integral part of the process of

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<sup>7</sup>Such as the scope of finance and banking sectors, education, local tax base, locally funded social programs, population of the city, geographical location and proximity to other urban centers.

objectification by which people create themselves as an industrial society: their identities, social affiliations, lived experiences (ibid: 214-5). This is due to ‘consumption at work’; the transmutation of goods, through consumption activities, into potentially inalienable culture (ibid: 189-194 and 216). In this sense, consumer goods become constituents of selfhood and social identity (Friedman 1990: 337). Consumption is not a mere reflection of the choices of rational agents but in many ways it is related to the non-rational constitution of the ‘desire’. People consume for otherness - becoming for what they are not - or for alterity or they produce themselves for others to see. They employ different strategies of selfhood in relation to consumption and these strategies are locally specific but also subject to the array of possibilities offered by the capitalist market (Friedman 1990, 1991). They are at the same time influenced by popular movements, nationalist propaganda or religion (Wilk, 1994).

Such a perspective centring upon consumption, Caglar (1997: 180) argues, methodologically eliminates the risk of studying *a priori* constituted cultures or communities and allows unveiling the fluid, shifting and negotiated dimensions of “translocal” and national identities. She continues to observe that

“[commodities]... are thus the locus around which several value-creating processes intersect... As value is not an inherent property of objects but is something created, an analysis at the level of commodities requires an analysis of how value is created. This, in turn, requires an analysis of the immediate context of transaction as well as of the macro factors operating on this context”.

Then, consumption is also the pivot around which “the need” is contextually determined through contestation. Castells (1977: 17) asserts that the class struggle in urban economies changes the historical definition of “need”, both qualitatively and quantitatively, by *imposing* a certain level of *consumption*. As already stated by Saunders (1986: 206), consumption capacity is determined by the historically changing portions of “the ability to earn”, “state provision” and “self-provision” while he already points to a shrinking state provision that is accompanied by the growing portions of earnings and self-provision in the mid-1980s. Given the rescaling of state and new forms of localisms under neoliberal policies, then consumption is a productive tool for grasping not only (1) the contextual dimensions of the creation of values, meanings and identifications but also (2) political struggles and novel forms of

conflicts, alliances and boundaries between different groups within urban economies. In this sense, it is a *point de caption* (quilting point) for contextualizing urban trajectories – various forms of localization of neoliberalism.

#### **1.2.4 Collection and Operationalization of Data**

The research is based on a combination of relevant secondary data as well as ethnographic data (in-depth interviews and semi-structured interviews) collected in eighteen months of ethnographic field research. In terms of secondary data: (1) relevant reports/maps/factory files/statistical data by local businessmen associations (local associations as well as national and regional institutions such as DPT, GARPDA, TÜİK, TIM) and local Commerce and Industry Chambers (2) reports/researches/maps provided from municipalities and Chamber of architects in two cities (3) local newspapers and magazines of Gaziantep and Diyarbakır (4) documentaries, novels and autobiographies by the local people who live in these two cities or migrated to other cities for different reasons (5) relevant scholarly literatures on space, material culture and neoliberalism as well as Turkey and local histories of Gaziantep and Diyarbakır, were examined.

Primary data includes (1) more than 60 in-depth and semi-structured interviews with local businessmen living in Diyarbakır and Gaziantep (2) 12 interviews with the members of local elite families (3) more than 20 semi-structured interviews with journalists and officers working in NGOs, municipalities in two cities (4) a survey regarding the firms operating in Diyarbakır (5) Visual material (photos and short videos) regarding the urban life in the cities, newly emerging gated communities, OSBs – industrial zones (6) 20 firm histories collected from in-depth and semi-structured interviews with the owners, and bolstered with relevant secondary sources.

These data sets will be put into dialogue in three parts. As of macro transformations, I will be dealing with two interrelated narratives: the neoliberalization of Turkish economy and the “graduated sovereignty” of Turkish state. Relevant secondary literature is used in sketching the general lines of neoliberalization process in Turkey by putting special emphasis on mid-1990s that signify the economic revitalization in Anatolia, both politically and economically.

The concept of the “graduated sovereignty” is employed to discuss how different populations are differently inserted into the capitalist economy on the basis of ethnic or religious hierarchies. Here, the concept of graduated sovereignty is discussed in relation to the question of the spatiality of state sovereignty, and employed to bolster the analysis by giving the embeddedness of the outcomes of neoliberal policies in historical structures and institutions. Relevant literature on state-class relations in Turkey as well as geographical analyses of industrialization are used to sketch these macro discussions and relate them to southeast Anatolia example. At policy level, I mainly focused on the implications of Southeast Anatolian Project as well Subsidy Law replacing the Law on Regions of Priority and supported the analysis with their implications in localities through testimonials and firm histories collected as part of the fieldwork.

Kurdish question and civil war are other macro factors, which need to be included in the picture. Civil war has not only transformed the urban spaces in the region – village evacuations and the strict security measures – but also led to the emergence of a segment in local entrepreneurs gaining wealth through the war. Relevant secondary literature as well as interviews with local businessmen are used for analyzing the impacts of civil war on regional economy and sociospatiality. Local histories and transformation of cities in the last 25 years, were mainly traced through interviews with local people – NGOs, local state officials, elderly people, business people, local notables, architects from the Chambers of Architects – as well as academic works dealing with the local history of the cities. I also made use of the autobiographies, biographies of the notables and novels written by local writers.

As of meanings attached to goods and objects, I mainly rely on semi-structured interviews, and in-depth interviews. The interview schedule was constructed to acquire basic information regarding the interviewees (family structure, brief information about their firms and how they started their business), leisure-time activities (vacation patterns, hobbies, going out activities), conceptions of taste and luxury (music, art, luxurious items), and their perceptions about certain categories (such as “elites”, “businessman”, “state”) as well as the city they live in (the most valued cultural traits in their city; the problems pertaining to urban life; the solutions that they propose). Consequently, interviewees were asked about whom they prefer



not to associate, and those who evoke hostility, and sympathy. In terms of participant observation, I participated in award ceremonies and monthly gatherings by businessmen associations in both cities, and a wedding ceremony in Gaziantep.

### **1.2.5 Fieldwork process**

I conducted ten months of fieldwork in Diyarbakir spread between two visits between March 2007-August 2010 and spent eight months in Gaziantep, again over two visits from April 2008-November 2010. Between March 2007 and November 2007, I worked in a local businessmen association, DISIAD, (Diyarbakir Industrialists and Businessmen Association) for 5 months. I conducted an extensive quantitative research for the association regarding the firms operating in OSB-Diyarbakır. The research was funded by DISIAD and aimed to provide the provincial entrepreneurs with updated comprehensive information on the existing businessmen profile in Diyarbakir, the sectoral diffusion of the enterprises, their import/export tendencies, and the potential sectors that entrepreneurs intend to invest. Enterprises in the sample represented different sectors of the economy as well as small, medium and large size enterprises. 100 largest enterprises were visited and a 54-questioned survey was carried out. I supervised the research, trained the surveyors, processed the data and prepared a report. DISIAD was a strategic entry point for my fieldwork as it is the largest businessmen organization in Diyarbakir. It provided an easy access to the business world; I participated in their formal and informal meetings, expositions, conferences and presidential meetings. These meetings provided me with the chance to make participant observation on their decision-making processes concerning business, daily chats, and social gatherings. The above mentioned report also equipped my research with quantitative data on not only general sectoral and economic findings, which is necessary to understand the formation of economic elites in Diyarbakir but also with specific information concerning the demographic features of the businessmen and their perception of the future, the country and the city.

Then, I expanded my scope of analysis and contacted other business organizations such as DIKAD (Diyarbakir Businesswomen Organization), local branches of MUSIAD, GUNSIAD (South East Industrialists and Businessmen Organization), and DOGUNSIFED. In the summer of 2010, I conducted a second fieldwork for two months. I re-interviewed 30 business people, and local state officials. This was

necessary to keep in touch with not only my informants but also keep the track of a city, which is rapidly expanding and changing.

The second step of my fieldwork was carried out in Gaziantep. Being a more developed urban economy, which is seen as the “paragon of liberalism in Turkey”, the proud business circles of Gaziantep were much more familiar with researchers conducting research on Antep’s economy and local businessmen. This created two conflicting outcomes for the purposes of my research. They were fed up with the academic interest and already developed stock answers to questions. It was quite hard to break the routine course of the interview structure in their heads that consisted of clichés regarding the economic life in Antep and the characteristics of local entrepreneurialism such as “familiarity with commercial activities”, “being at the crossroads of commercial lines”, “fertile stones of Gaziantep giving birth to factories” and “commercial intelligence of the people in Gaziantep”. All these conflicting and unrealistic accounts can be found in many of the recent works analyzing the success of the city in the last twenty years. In this sense, I had difficulty in making them talk about their business life stories, personal life, choices and regional politics. Furthermore, the highly conflicted economic sphere in Antep complicated my entrance to the networks of businessmen as they were highly institutionalized (compared to Diyarbakır) and polarized among intra-bourgeois divisions (as religious networks and migrant entrepreneurs were seen as a threat to the local traditional industrialists), ideological stances and social status. In this sense, chambers of Commerce (GTO) and Industry (GSO) and businessmen associations did not work as efficient entry gates. Although I tried to work in a NGO dealing with the lower strata migrants in the city, I soon decided that it would be better to approach the business people with an academic institutional affiliation. I used my professional academic identity, as a researcher from CEU. Still, I made my first contacts with businessman associations (MUSIAD, GAPGIAD, GAGIAD and HURSIAD), and then used snowball sampling for arranging the interviews.

The interviews were made at the offices of the business elites and lasted approximately one hour. Interviewees were always asked their permission to tape the interview. In some cases, I was not given permission to tape. In these cases, I took notes and later combined them with my fieldnotes. I use pseudonyms for the names of

the businessmen and the company names to protect the privacy of the interviewees. I pay special attention not to disclose personal traits and organizational affiliations through which the interviewees can be easily identified. I use the real names of the interviewees when their personal views were made public through local or national media. In these cases, I cite the secondary source, local newspapers, magazines, or books. The same rule applies to company stories. I made in-depth and semi-structured interviews with some of the owners of these firms and/or family members in the administrative body of companies; however, I did not use personal data gathered from the interviews in the company stories section.

### ***1.3 Research Sites***

Yesterday, H. and R. decided that it is time for me to see Hasankeyf, a historical city in Batman along the Tigris River... Having arrived in Hasankeyf, three of us were a bit surprised to see that the historical city, including the few restaurants around, was overcrowded. A crowd, with *poşu*<sup>8</sup> around their necks and cameras in their hands, were climbing up the hills of Hasankeyf. Children of Batman, who memorized a few lines of the history of the region in English and Turkish, were running between the groups of people. After a while, we were lucky enough to find a small table in the restaurant. H. and R. made fun of the “absurd outlook” of a few women, in high-heeled shoes, jeans and *poşu* fastened around their heads in the traditional way. Then, R. (who is an architect) said that after the temporary peace between PKK and the army, touristic tours to Southeast has tripled. He made a witty remark saying that I should also see Nusaybin before the conflicts start again.

Field Notes, April 2007

In border studies, it is often argued that national borders serve to protect ‘safe, knowable and orderly against a disorder of the international/outside’ (Petman, 1997). However, this emphasis on national borders of the nation-states runs the very risk of overlooking how different groups or identities within a society reproduce or challenge certain forms of domination and power by delineating borders –spatial or non-spatial– to differentiate themselves from others. In this sense, state authority is multi-leveled, it stems not only from international borders but also from internal borders (please see

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<sup>8</sup> A traditional scarf used in southeast Anatolia, which became popular not only in Istanbul but also European cities in the last years.

chapter 3). In Turkish case, disorder has been also within the limits of the nation-state, in a region stuck between an internal boundary separating order from disorder, loyal from rebel, Turkish from Kurdish, development from underdevelopment and an international boundary. Southeast Anatolia used to be a “stigmatized” region, and the city of Diyarbakir was conceived as the center of terror and “separatism”.<sup>9</sup> Persistent economic underdevelopment in the region, which will be dealt in chapter 3, was accompanied with strict security measures by the state as well as assimilatory policies aiming at Kurdish populations. Nowadays, southeast Turkey, bordering Syria and Iraq, has become a tourist attraction for middle classes for its historical heritage as well as “exoticism” (see Part 3).

The region is equipped with complex layers of local histories in terms of population movements and changes, which has resulted in drastic transformations in its political, social and economic structure. Starting with the demographic change in terms of its Christian population in the beginning of the century, the region went through sweeping transformations caused by economic or political out-migration (see Öktem 2004; Diken, 1998). After the mid 1980s, village evacuations by the Turkish state and the ravages of skirmishes between the Turkish army and PKK (Kurdish military forces) triggered both the migration from rural areas to cities and the migration from cities to cities. This resulted in the population growth of some cities in the region, especially Diyarbakır, which was a “stop-over” for migrants on the way to larger cities (Gambetti, 2005; Kurban et al, 2006). Nevertheless, this population growth – in terms of IDPs – was accompanied by an intense out-migration and replacement of middle and upper-middle classes from the region to other regions and cities. In this regard, demographic movement in Southeast Anatolia in the last 20 years should be explained with reference to asymmetrical migration flows, forced rural-to-urban migration and economic migration of upper-middle and middle classes. Gaziantep constitutes an exception to this general trend. As will be discussed in the following pages, contrary to the general migration trend in the region, Gaziantep is the only city that received an important segment of upper-middle classes from other cities and is still one of the few cities with rather a lower outmigration rate in Turkey.

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<sup>9</sup> It should be noted that Diyarbakir is also a center for the Kurds on the basis a different and national significance. The city is accepted as the informal capital of Kurdistan, the imagined homeland of the Kurds. In this sense, it is important to emphasize the particular importance of Diyarbakir for political and cultural mobilization of the Kurdish movement and nationalism. It is important to emphasize how this is *translated* in an opposite way within dominant and popular discourse.

Another point that needs to be stated is that the region allows us to examine the shift from a developmentalist frame to a neo-liberal one. A largely poor area under the implementation of a huge development plan, the Southeastern Anatolian Project (GAP, see Appendix), southeast Anatolia has also been the target of massive economic subsidies and social development programs led by the state. Since the end of 1990s, the introduction of neo-liberal policies to the region has given way to a gradual shift from this state-led regulatory frame to a market-led one, which has been implemented to a great extent by NGOs and private capital (for a discussion see Özok-Gündoğan, 2005; Keyder, 2004). This shift signifies a general trend in the world; the bankruptcy of huge developmental projects aiming to promote national economic growth and national unity through regional development and their replacement with small scale investments focusing individually on cities (Keyder, 2004). This, in return created an “NGO”ization accompanied by a growing significance of a political and cultural elite segment (lawyers, local state officials, sociologists, artists and so on) in urban economies.

Furthermore, due to the Kurdish issue and the civil war, Southeast Anatolia is a contested terrain, which forces us to expand the famous dichotomy of ‘urban managerialism’ and ‘urban entrepreneurialism’ (Harvey, 1989) with a new twist by including ethnicity and a discussion of how it both fits into and challenges the logic of neoliberalism. This is particularly relevant in the case of Diyarbakır. The city, which suffered under the throes of civil war, and the Emergency Rule until the end of 1990s, was left with a stagnant economy after the unilateral cease-fire of PKK. The city has recently started to attract the attention of international and domestic civil society due to its significance stemming from the Kurdish issue and has become a politically and culturally vivid city. However, the case of Gaziantep, a city that is not only the paragon of neoliberal boom and export-led strategies but also a fervent defender of Turkish nationalism, makes the comparison of the two cities more challenging.

Last but not the least, southeast Anatolia is also an *extended geography*, not limited to the national borders of Turkey. Two points deserve particular attention here. First, stemming from the dissolution of the Ottoman Empire, the inhabitants of the region still have a more extended notion of territory where border cities (like Gaziantep) still continue strong economic and social interactions with the neighboring border cities.

In this sense, the example of Gaziantep and Syria is very illustrative. The shared history and culture is a common articulation of such bonds. Second, Kurdish majority living in these cities have very strong economic/cultural/political ties with Kurdish people living in the neighboring countries, with a growing signification of Iraqi Kurdistan<sup>10</sup> after the second intervention to Iraq. As will be discussed in the following chapters, local state institutions in the region (mostly governed by BDP, the Kurdish party) and Kurdish populations have a multitude of interlocutors scattered between Middle East as well as Europe. This can be partly explained by the intensified interconnectivity and dialogues between actors at different scales across national borders after the global turn, however, it also has to be contextualized with reference to the overlapping geographies of Kurdish nationalisms.

Southeast Anatolia, for these reasons, is quite a valuable site for studying the shifts in accumulation strategies, and the transition to neoliberal order (as a political and economic project). In southeast Anatolia, two forms of local empowerment are singled out. These two illustrations allow discussing the localization of neoliberalism from the perspective of a number of reasons (see 1.3.3 for a discussion). However, for the sake clarity, in the following section brief accounts on the local histories, present economic structure and urban markets as well as relations with the central governments and international institutions will be given.

### 1.3.1 Diyarbakır: Civil War and Stagnant Economy

Today, Diyarbakır's economy is mainly dependent on agriculture and trade. Diyarbakır OSB, which was established in 1996 (after Mardin's OSB was established in 1992), houses more than 100 factories and employs 3.5% of the population. The city's economy chiefly depends on the domestic market and transactions with neighbouring cities (Mardin, Şırnak and Batman), yet sectors of marble and construction are important nodes and link the city to Europe and the Middle East

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<sup>10</sup> Iraqi Kurdistan is an autonomous region in Iraq, established in 1970, with an agreement the Kurdish opposition and Saddam Hussein. Arbil (the capital, *Erbil* in Turkish and *Hewlêr* in Kurdish) is an important reference for the Kurdish populations living in Turkey, both politically and symbolically. The region is governed by the *Kurdistan Regional Government*. Following the Anfal genocide campaign of the Iraqi army and 1991 uprisings, many Kurds (pesmerge in Turkish popular discourse) were forced to leave the country. Following the First Gulf War in 1991, Iraqi forces left the region. The second Gulf War, in turn, resulted in a joint coalition with Kurdish forces and led to a federalization of the region. As the name of this federation includes a taboo word, Kurdistan, in Turkey this area is called "Northern Iraq").

(DISIAD, 2007). The Middle East market is central to the urban economy in terms of exports and economic transactions, and holds a share of 78% of Diyarbakır's exports. The Iraqi market alone receives 56% of the exported items manufactured in Diyarbakır. Many entrepreneurs also have investments in Iraq. Their investments range from running restaurants to construction businesses, joint companies in the food industry, and transportation firms. Other important export countries are Azerbaijan, Israel, Saudi Arabia, Italy, China, and Iran.

Diyarbakır, as the capital city of *Diyarbakır* province, was an important textile centre in the 18<sup>th</sup> century (Quataert, 2008: 121-5). In the late Ottoman Empire, the city was also famous for raw silk production following Amasya and Bursa. Textile producers in the city had started to produce raw silk and sent it to Aleppo, North Syria, and Iraq (Quataert, 2008: 170 and 216). In the early republic, textile and silk production continued to be important parts of the city's economy. According to the industrial census of 1927, textile and mining were the leading sectors in the city, and Diyarbakır was the third silk producer following Istanbul and Bursa in young Turkey. In the late 1940s, Diyarbakır had eight industrial plants capitalizing on *Teşviki Sanayi Kanunu* (the law to promote industry) and plenty of small and medium-size ateliers carried on traditional methods of production. (Dağ and Göktürk, 1993).

This relatively slow response to the demands of the new national economic agenda can be explained by the turbulent period, which followed the rebellion of Sheik Said in 1925. The Sheik Said rebellion had two major consequences. First was the displacement of notable families from the city. In 1926-7, 30-40 families from the city were sent into exile, including some members of the most powerful families of the city. These families were forced to migrate to Western cities in Turkey. Some families returned to Diyarbakır in 1934 following the amnesty in 2510 *İskan Yasası* (The Settlement Law), whereas many others chose to stay and settle down in the western parts of the republic (Beysanoğlu, 2001). In 1934, returned families acquired their properties, which had been mostly kept by distant relatives or representatives. Nevertheless, the implication of this displacement law was a freeze on economic activities and a "waiting" period of almost ten years. The second consequence of the rebellion was the establishment of the first general inspectorship in the region.

General inspectorships, which prevailed until 1947, served as important control mechanisms for the central government (for a detailed discussion see, Koçak, 2003).

Diyarbakır has entered the 1950s with a stagnant economy, and started to suffer from a gradually increasing economic out-migration to İstanbul, Ankara, and İzmir (Tümertekin, 1968). Contrary to the cases of Gaziantep, Kayseri, or Denizli, where local entrepreneurs have turned their small family investments into larger Anatolian holdings in their own towns, Diyarbakır “exported” its investors to big cities. The displacement of the economic interests of these investors led to a deep disappointment among local businessmen.

The growing tension in the city after the 1980s due to the generalized violence and security threats, accompanied with the declaration of an Emergency Zone in 1987, accelerated the out-migration. The Emergency rule (see chapter 6) radically transformed the social structure of the region. Everyday life in the city suffered from curfews and strict security measures during the state of emergency (OHAL) that lasted 15 years. The growing fear in the city, fed by assassinations and prosecutions, was accompanied by a growing dissent on the parts of the national media and the central government labelling Diyarbakır as the city of terror. Since 1980, more than 300,000 people have left Diyarbakır (Kocaman, 2008; TUIK). Nevertheless, Diyarbakır has been hit by a flood of migrants from neighbouring towns and villages as a result of the village evacuations and forced migration led by the Turkish state. The population of Diyarbakır grew more than 800,000 after the peak of evacuations; new districts habituating IDPs mushroomed; poverty and unemployment became drastically visible (Ayata and Yukseker 2005; Gambetti, 2005). IDPs arrived to a stagnant economy, marked by an invisible local elite structure and a newly emerged entrepreneurial class of rural migrants and small merchants. Due to the inability of the market structure to accommodate the newcomers, IDPs have gone through not only a “horizontal displacement”, but also a “vertical and downward displacement”. They became destitute consumers in urban economies (Kurban et al, 2006: 256).

### **1.3.2 Gaziantep: An Exception in Southeast**

Gaziantep’s economy is mostly dominated by the textile sector, with the increasing importance of the food and plastic industries. The machinery/metal industry, which is



mainly situated in small industrial sites, is another vital sector in the city, ranking 6<sup>th</sup> in Turkey with a share of 3%. In terms of exports, textile products and food products are the most important items. Gaziantep has a wide range of export countries in Europe (such as Italy, Netherlands, Germany, UK, and Spain), post-socialist states (Ukraine, Russia, Poland, Romania) and Turkic states (Azerbaijan, Uzbekistan, Kazakhstan). The city, which is seen as the “shining example” of the region, has an export volume corresponding to almost total exports rates of the region.

Known formerly as *Aintab*, the city of Antep was an ordinary town in the vast geography of the Ottoman Empire; making a relatively small contribution to imperial revenues, it had no resources of symbolic value (see Canbakal, 2006). Despite the shadow of Aleppo or other big proximate cities, Antep of the 15<sup>th</sup> and 16<sup>th</sup> century was an economically vivid city, marked by a strong local initiative tradition (Peirce, 2005; 2006). Small family enterprises in textile and agriculture, which dominated the late years of Ottoman Anatolia, were highly visible in the city (Quataert, 2008). It was in 1919 that Antep re-emerged on the stage of history with the “famous” *Antep resistance*, and acquired the title *gazi* (heroic warrior) in 1921, the symbolic meaning of which still resonates today.

With the establishment of the Turkish Republic in 1923, Gaziantep adapted rather quickly to the rules of the new economic order and became an important regional centre in southeast Anatolia. In the early years of the Republic, the number of factories almost quadrupled. The weaving industry and the processing of agricultural products developed in the 1930s and early 1940s with the help of state incentives provided within the framework of *Teşvik-i Sanayi Kanunu* (The Law to Promote Industry) (Özcan, 2000). The increasing trend of industrialization continued in the late 1960s and the 1970s. The city was covered by the law of *Kalkınmada Öncelikli Bölgeler* (Regions of Priority in Development) from 1968 to 1973, and then later from 1978 to 1981 (DPT, 2000). An *Örnek Sanayi Sitesi* (Pilot Industrial Zone) and *KÜSGEM* (Small Industry Development Centre) were established in 1974 and 1972, respectively, with the cooperation of the Ministry of Industry and Commerce and the United Nations Industrial Development Organization (UNIDO). The Organized Industrial Zone established in the early 1970s created a rapid proliferation of manufacturers; the number of factories almost doubled between 1973 and 1981, the

share of textile manufacturing increased by 40%, and food manufacturing increased by 30%.

The lessening of the strategic position of notable families in the 1960s, and their total fading in the economic and political field in the early 1970s, led to the emergence of new actors and interest groups (for a detailed discussion of notable families of Gaziantep, see Karadağ, 2004). The new actors were mainly merchant families of the early Republic who had clung to the trend of industrialization in the 1960s and 1970s and gained a huge influence in the city during the 1980s. The giant firms of Antep, such as SANKO, started to become visible in the early 1980s.

Gaziantep's industry continued to grow steadily during the "deregulation period" (1980-1989). Likewise, the second and third industrial zones (1989 and 1994) were established, and the 24 subsidy papers that existed in 1990 increased to 31 by 1994, and then to 208 by 1995. In 1998, the Gaziantep Free Zone was established, and had its peak in the early 2000s in terms of total trade volume. The improving economic relations with the EU through the Customs Union in 1995 intensified after 2001, as both the EU and the IMF became powerful external actors in the Turkish political economy. Gaziantep was again among the first cities to catch this economic trend. The ABIGEM (*Avrupa Merkezi İş Geliştirme Merkezleri* – EU Business Development Centre) office in Gaziantep, which supports SMEs in the city and strengthens their economic competitiveness in open markets, was established in 2002 soon after ABIGEM-Kocaeli and ABIGEM-İzmir.

### **1.3.3 The Significance of Two Illustrations: The Question of Locality Revisited**

Arjun Appadurai's criticism holds water, when he argues that in anthropological discourse "natives" tied to particular places are also associated with particular ideas. This, he observes, results in "the temporary localization of ideas from many spaces": one goes to India to study hierarchy, to China for ancestor worship and so on (1988: 46). The same applies to the social science discourse in/about Turkey. I had great difficulty in explaining the reasons underlying my research sites to scholars who were asking questions whether it was "meaningful" to study not only business people but also neoliberalization in a city like Diyarbakir where poverty is the rule. Some

scholars questioned my “ethical standpoint” and some others my “object of analysis” by arguing that it would be much more “explicative” and “ethical” to study the “periphery” and the urban poor in cities for understanding the neoliberalism per se. Last but not the least, analyzing two cities, which signify different trajectories under neoliberal policies, remained a conundrum for many scholars in Turkey. In this section, I will try to elucidate the rationale behind these leaps: “studying consumption in impoverished cities, highly characterized by a revival of culture” versus “studying consumption in economically vibrant cities, highly characterized by export-led growth”; “studying the production of locality under neoliberal demands in ethnically bounded urban spaces” versus “studying the production of locality under neoliberal demands in politically conservative cities”; “studying the responses of local economic elites to global neoliberalism in cities where elite structure has undergone through a massive transformation by out-migration” versus “studying the strategies of local economic elites under global neoliberalism in cities where elite structure has been transformed by the received migration”. How can these significant variations in economic indicators as well as local political and social structures be justified on a solid ground? The justification of such perspective is very much related to the definition of locality and scaling perspective, discussed in the previous section.

Once, consumption or material culture is taken as embedded in a “broader scalar hierarchy,” and the emphasis is put on the formers’ interactions with the process of scaling, rather than the “scales” as boundaries separating the units in question, then the significance of two illustrations become more apparent. Instead of analyzing particular form(s) of entrepreneurialism in relatively bounded geographical unit(s) – here, the local or the urban”, this study rather attempts to contextualize the process of scaling in Turkey and the formers’ implications in localities via two illustrations. These two cities, as the empirical template on which the process of scaling will be discussed, are singled out as two modes of local empowerment – one is through export-led growth, while the other is through culture and cultural industries – within a regional and a developmental institutional frame; southeast Anatolia region and GAP respectively. Such a focus on two modalities of local empowerment, which is going to be referred as “urban trajectories” in the following pages, not only allows the *problematization* of the geographical scales (here, regional) as “neutral” and homogeneously structured spatial entities but also reveals the outcomes of

developmental projects, the differential treatments of the cities under GAP and how they later intertwined differently with the neoliberal logic. As will be discussed in Chapter 5, in order to understand the neoliberal experience in Turkey, it is necessary to examine how the sovereignty of Turkish state operated in a graduated form over populations as well as national territory during the ISI period, and how the operation of a such “graduated sovereignty” conflicted with the institutional frames developed on the basis of a regional partition of the nation (such as GAP). And, as will be discussed in Chapter 2, the rescaling process in Turkey under global neoliberalism, like other parts of the world, is embedded in economic and social inequalities, as well as political agendas and ideological frames. This spatial grid on which cultural and political agendas are inscribed, I argue, partly determines the possible trajectories of localities in neoliberalism.

Such a two-sided analysis, inevitably, brings forward a questioning of a number of interrelated processes, such as the rescaling of state, the shifts in accumulation strategies, new scalar hierarchies in global capitalism, the emergence of new institutional frames and actors as well as the recalibration of the existing ones.

Gaziantep and Diyarbakır constitute valuable cases by which to understand both the rescaling process of the Turkish state, and its outcomes in terms of inter-city and intra-city power relations as well as their embeddedness. Starting from the étatism of the one-party period, the local entrepreneurs of Gaziantep were quite alert to the exigencies of economic restructurings, and rapidly adapted to the ruptures and changes in the economic policy regimes. Until the 1940s, the city made ample use of state incentives. Between 1955-1975, the city benefited from important infrastructural investments and this provided the conditions for the conversion of commercial capital to industry. The conflicts between commercial and industrial capitalists were settled in the 1990s, and Gaziantep was quite successful in appealing to new external actors of the “rhetorical transition” period such as the EU (Keyman and Öniş, 2007), and mobilizing them for economic projects. On the other hand, from the early republic to the 2000s, Diyarbakır’s economy has been characterised by temporary rises in economic growth soon followed by long periods of stagnation and recession. Until the 1960s, Diyarbakır had almost no factories initiated by the local entrepreneurs of the city. Despite the state subsidies and incentives under the law of *Kalkınmada Öncelikli*

*Yöreler* (Regions of Priority in Development), an under-developed entrepreneurialism, due to economic and political out-migration of capitalists, and structural difficulties stemming from the ISI period, carried Diyarbakır to the neoliberal era. The assimilatory logic of the Turkish state that operated ethnically, but also spatially, is important in contextualizing the historical embeddedness of neoliberal policies.

Added to the above discussion, this extended focus on rescaling processes (*one case-two illustrations*) in southeast Anatolia is important in understanding different future projections of local actors under neoliberal demands, the dynamics of local politics in localities and the influence of such dynamics on “urban trajectories”. As will be discussed in the following pages, Gaziantep’s future is directly articulated with a consensus of elites on development through an export-led industrial boom, albeit with different economic elite groups competing to lead this process, while in Diyarbakır the future of the city is in the nexus of power struggles and position-takings between the local state, socio-cultural, and economic elites of the city. Given the reorganization of local state institutions in the 1980s, the dynamics of local politics become important referents for discussing rescaling processes: local state institutions and NGOs are also recalibrated like the nation-states and international institutions in the new geometry of power relations of neoliberal restructuring. In this sense, these two illustrations also provide insightful data in discussing the local actors of the neoliberal era and impose the necessity of assessing the *positionings* of local economic elites in urban economies with reference to the “urban trajectories”.

## PART I

# RESCALED ACTORS AND REDEFINED LOCALITIES TWO FACES OF THE NEOLIBERAL TURKEY

I don't understand why people in Turkey are afraid of religious communities such as Gülen community, their schools or their charity organizations. It is actually due to these schools that we [the businessmen of Gaziantep] can find people who speak Turkish all around the world (...) Don't get me wrong, I do not value *Turkishness* [by Turkishness he refers to Turkish nationalism] or speaking Turkish. What is actually happening is not about these. It is all about making business.<sup>11</sup>

Finally democracy has won. Democracy was tested. And forces of democracy proved invincible (...) We have been continuously lobbying for Turkey's entry in the European Union. *Mayoralty* should not be seen as collecting garbage and investing in infrastructure. We have assumed a political mission and our grassroots have political aspirations.<sup>12</sup>

In the last months, what predominantly occupied the intellectual minds in Europe as well as in USA were the successive mass protests and demonstrations in Arab countries. These revolutionary protests, known internationally as the Arab Spring, attracted widespread attention and support on the parts of international community and media and incited a number of questions regarding the possible directions of these protests: Will they lead to more coercive and dictatorial Islamic regimes or more egalitarian and democratic societies? In the midst of all these discussions, Islam once again, after the attacks of 9/11 when it was mostly discussed in the frame of terrorism and military jihad, was put in the center of intellectual debates: this time with a new emphasis on its cement role in triggering radical and transformative challenge against oppressive systems. The "Turkish model", under the conservative rule of pro-Islamic party JDP (Justice and Development Party) and the Prime Minister Recep Tayyip Erdogan, became an example, mainly referred in the case of the marriage of Islamist empowerment with democracy, pro-Western policies and economic growth. The

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<sup>11</sup> Interview with a young businessman in Gaziantep in the presidential board of the local branch of MUSIAD, June 2008.

<sup>12</sup> Feridun Celik, the former mayor of Diyarbakir of the pro-Kurdish party, HADEP . This speech was given after he was released from a ten-day detention in 2000. (Mater, 2000).

TIME magazine carried this issue on its cover on 28 November 2011 under the title of “Erdogan’s Way”, and asked the readers: “Turkey’s pro-Islamic leader has built his (secular, democratic, Western-friendly) nation into a regional powerhouse... but can his example save the Arab Spring?” In the cover story, the growing popularity of Recep Tayyip Erdogan in Egypt (where he was greeted as a hero and a rock star) and across the Arab world is discussed at length. It is argued that Erdogan has greatly enhanced Turkey’s international reputation along with economic policies, which have trebled per capita income and unleashed a new form of entrepreneurship by showing that political Islam is actually compatible with modernity (Ghosh, 2011). Indeed, the economic record of the country has rendered Turkey into a success story, a certain model that can be followed and/or adapted by the “less-developed” Middle East countries. In the last thirty years, Turkey has changed radically and at a breakneck speed from an inward-oriented agrarian economy to a ‘globalized’ major regional power as the sixteenth largest economy and eight-largest tourism market in the world as of 2010 (Oktem, 2011).

Just a few days before the publication of the article about Erdogan, in an academic e-mailing list of scholars studying Turkey, academicians and scholars were called for a communal protest against the TIME. They were asked to protest the magazine by sending e-mails to the editors and ask them to reconsider carrying Erdogan to the front cover topic. In the face of the increasing number of arrested Kurdish politicians and academicians, it was argued that Turkish democracy is in great danger under the rule of JDP.<sup>13</sup> Although the call was not quite successful in creating a communal action, it reflected a common concern in the country regarding academic and political freedom in Turkey. In the last two years under the JDP rule and the increasing tide of neoliberal reforms, over 4500 people including Kurdish politicians and lawyers, and Turkish/Kurdish journalists, students and well-known academics were arrested due to anti-terror laws, which are vaguely written and ambiguous in terms of their execution since they give ample freedom of interpretation to judges. The optimistic atmosphere of the mid 2000s following the political reforms by the JDP government directing Turkey towards EU was already replaced with growing concerns concerning JDP’s aggressive economic policies as well as antidemocratic tendencies regarding Kurdish

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<sup>13</sup> For some critical remarks in the popular international media in November 2011, see Albayrak, 2011; Economist, 2011 and Bayramoglu, 2011.

politics and any form of oppositional political view. These recent developments encapsulate a conundrum regarding the transformation of statehood, local actors and the relations between these two in the neoliberal times. On the one hand, they bring forward the uneasy relation between the authoritarian techniques of government and the remaking of the neoliberal state as well as the increasing disciplinary functions of the shrinking neoliberal states that are mingled with neo-conservatism, and nationalism. On the other hand, they propose a different reading of today's Turkish society from below and in terms of resistance. From the beginning of the Republic, Islamic movement and Kurdish movement have been the major challenging forces against the Kemalist hegemony, carving out their own spheres of resistance through different strategies of survival.

These two significant segments of population that had been excluded from the power by the foundational ideology of the Republic, namely Kemalism, until the 2000s, managed to “jump scales” (Smith, 1993) through various scalar strategies and have re/defined the course of politics in the last decade. In his article, “The Uses of Neoliberalism,” Ferguson (2010) calls for making a distinction between neoliberal arts of government and neoliberalism as a class-based ideological project in order to identify new forms of politics, which can be formulated thorough the polyvalent field of neoliberal government techniques. Rather than anathematizing neoliberalism as the ultimate evil, Ferguson argues that governmental techniques can be surprisingly repurposed and put to work in the service of political projects, which may be very different from those that are usually associated with the word, neoliberal (2010: 182). The restructuring of the political Islam and the Kurdish movement in Turkey after the 2001 allow us to discuss how the neoliberal turn opened a new terrain of possibilities for political movements to articulate their demands and struggles into the global and the universal. The downscaling of statehood, altered dynamics of place-making processes, and the emergence of new forms of localisms under neoliberal demands produce a Janus-faced view of neoliberalism, simultaneously empowering and weakening local movements.

The aim of this section is to shed light on these recent developments through an analysis of the transformation of the statehood and its relation to the making of the national space in contemporary Turkey under neoliberal policies. Mainly focusing on



rescaling processes of the Turkish state, the Chapter 2 aims to provide an analysis of the constitution of the neoliberal economy in Turkey and its territorialization starting from the mid-1990s. First section of Chapter 2 will theoretically deal with the question of neoliberalism, more specifically its relation with spatiality, and statehood. Second section will be devoted to the analysis of neoliberal restructuring in Turkish case with special emphasis on its interaction with space through three lines of discussion: (1) spatial reconfiguration of the national territory under neoliberal demands, which resulted in the concentration of industrialization in certain cities and regions (2) changing political paradigm that brings new sites of power crosscutting scales and borders through the introduction of metropolitan municipalities and (3) new regulations on urban space and multiscalar institutions such as Mass Housing Administration (MHA).

Chapter 3 will introduce the rise of political Islam and Kurdish movement in Turkey and discuss how their struggles have been molded in response and through spatial interventions and local political regimes. Both movements responded to the new regulations on urban space, using local state institutions as effective mechanisms to build various forms of localisms. They made ample use of transnational networks, and integrated into the logic of neoliberal market through different forms. Islamic actors in Turkey not only “jumped scales” through the creation of networks of various religious communities all around the world but also perfectly incorporated into the capitalist market and state ideology. On the other hand, the Kurdish issue, confined to the boundaries of Southeast Turkey, has gradually become an issue discussed at the national level (due to the forced migration of Kurdish populations to Western parts of the country that created a forced “encounter” between the Kurds and the rest of the country), then an issue of grave importance at the European scale due to the active Kurdish Diaspora, which had major implications regarding the internal political dynamics of Turkey.

In the light of this general picture, Chapter 4 will discuss how the rescaling processes produce different forms of localisms in two different cities. I will mainly deal with the relations between business circles and local state institutions and demonstrate how the localization of neoliberalism is a politically and historically embedded process, which empowers different social classes in urban economies. My fieldwork illustrates that it

is not only the past of cities - i.e. historical embeddedness and the regional inequalities – that give shape to the form of localization of the neoliberal policy packages, but also the future projections defined on the basis of local political dynamics and the intra-city relations between different social classes – local state actors, political and cultural elites and the business circles.

## 2. State Territoriality and Locality Formation After the Neoliberal Turn: Rescaling States and New Strategies of Power

### 2.1 Theoretical Foundations

In the last twenty years, global capitalism has created a wide-ranging interest in sociopolitical spatial formations, and has induced a critical spatial perspective in social theory. Numerous social theorists have emphasized the spatiality of economic and social structures by questioning the taken-for-granted link between state territoriality and globalism and its attendant economic, political, and cultural implementations (Harvey 1989; Scott and Storper, 1986; Anderson, 1996). Their differing points of departure notwithstanding, studies on new regionalism (Lovering, 1999; Jones, 2001) and new localism (MacLeod, 2001; Jessop, 1998), and the rediscovery of the *local* and *regional* have led scholars to raise questions about new forms of governance, giving more emphasis to multi-scalar networks and alliances, and eroding the fixed hierarchies between *global/national/local* scales. As Saskia Sassen puts it:

We see a re-scaling of the strategic territories that articulate the new system. With the partial unbundling or at least weakening of the national as a spatial unit come conditions for the ascendance of other spatial units and scales. Among these are the sub-national, notably cities and regions; cross-border regions encompassing two or more sub-national identities and supra-national identities, i.e., globalized digital markets and free trade blocs (Sassen, 2002: 13).

In a parallel fashion, Harvey has indicated newly emerging distinctive scales in global neoliberalism. The dominant geographical scale at which accumulation occurs has been changing as the circulation of capital “produces its own distinctive scales of organization” under neoliberal policies (Harvey, 2006: 104). Having discussed how the national scale, which is taken-for-granted and dominant during the Keynesian period lost its primacy under contemporary capitalist conditions, Jessop (2002: 179) defines rescaling as a continuing struggle:

There is no new privileged scale around which other levels are now being organized to ensure structured coherence within and across scales. Instead, there are continuing struggles over which spatial scale should become primary and how scales should be articulated, and this is reflected in a more complex nesting and interweaving of different scales as they become articulated.

The rescaling processes hinge upon a conflictual relation between the local and the global, in which global spatial reconfiguration is accompanied with movements of regionalization and localization. This double movement of “glocalization” indicates profound changes in the very nature of the relationships between scales (Swyngedouw, 1997). This tension between the local and the global in the *reterritorialization* of global neoliberalism is based upon two rescaling processes. Every strategy of *detrterritorialization* – to avoid and supersede historically established mechanisms and territories – necessitates not only a reterritorialization process but also the reinvention of place at a different scale through which capital “jumps scale” (Smith, 1996: 72). Capital jumps scale through producing new subnational or supranational spaces of accumulation, reconstructing or creating new sociospatial infrastructures for its circulation process at other scales. The rescaling of capital is accompanied with the rescaling of statehood in which state is “adjusted” to global capitalism through establishing territory specific regulatory conditions for global capital investment and/or enforcing the legal regimes within which global capital regulates. Here, state policies, public investments or financial subsidies by the state are directed to enhance territorially specific locational assets, to accelerate the circulation of capital and to reduce the labor force (Brenner, 2004).

*(1) Reinvention of the Urban and The Changing Dynamics of the Local Politics*

While the pre-given scales (local, regional or national) and the hierarchies between them dismantle, by opening new spaces of action and new modalities of governance, the urban has acquired a new meaning. Urban processes, along with other regulatory strategies under capitalism, became a central instrument of political intervention to remedy and confront “specific forms of sociospatial dislocation and crisis formation”. The urban has been redefined just radically as the global: “the new concatenation of urban functions and activities vis-à-vis the national and global changes not only make-up of the city but the very definition of what constitutes the urban scale” (Smith 2002: 431). Urban spaces have become zones of experiments in order to survive in the highly uncertain geo-economic environment characterized by a highly intensifying interlocal competition, speculative fluctuations of financial capital, institutional chaos with the inclusion of multiplying actors (varied from governments and local actors to transnational firms and organizations), and economic instability. In this new

entrepreneurial logic, the overarching aim is to mobilize urban space for market oriented economic growth through place marketing, local tax abatements, public-private partnerships, business-incubator projects as well as various institutional interventions within the local state apparatus aimed at policing and surveillance and new strategies of social control (Harvey, 2001).

The interlocal competition, which is imposed by rescaling processes and heightened by the path dependency and the competitiveness that the latter impose on cities, inevitably alters the power alliances and structure in urban spaces as local political and economic elites are under an “extrospective, reflexive and aggressive posture” for marketing their cities, scanning the horizons of investment, and promotion options that would increase their competitiveness in the face of “competitors” (Peck and Tickell, 2002: 47). One reason for such a shift stems from the newly emerging institutional and regulatory configurations, which involve a significant “redistribution of policy-making powers, competencies and responsibilities” (Swyngedouw, Moulaert and Rodriguez, 2002: 209). This, in turn, complicates the power balances in local politics since many actors including municipalities, development agencies, cultural elites or business associations strive to actively involve in decision making processes regarding the trajectories of cities under neoliberal agendas (Gough, 2002).

Localization of neoliberalism led by a competitive agenda may engender locational policies directed at increasing a city’s advantages within (1) spatial division of labor through enforcement of particular forms of industrial production (2) spatial division of consumption through establishing localized infrastructure for tourism, leisure, or retirement functions (3) spatial division of resources by procuring funds from governmental institutions at various scales or supranational actors (4) spatial division of command and control capacities in the spheres of finance, information processing or government (Harvey, 1989). As will be discussed in the following pages, rather than applying to these separately, what we observe is that local state institutions and local elites rather make use of an ensemble of these strategies. Even the cities that indicate high levels of manufacturing and industrial growth need to apply to locational empowerment through culture and consumption facilities.

## *(2) Interlocal Competition and the Rescaling States*

Space has always been a productive force through which state institutions become more directly involved in constructing, maintaining and reproducing the political-economic and territorial conditions for the accumulation of capital (Lefebvre, 1991: 378). Nation-state institutions have played and still do play a significant role in construing, reproducing, modifying, destroying and creating anew “scalar fixes” in order to secure, destabilize or remade the socioterritorial preconditions for capital accumulation (Brenner 1998: 10). Under the pressure of neoliberal policies and the entrepreneurial logic that they impose upon governments and localities, the goal of the national, regional and local state policies has become to strengthen the place-specific socioeconomic assets of strategic, and globally linked regions. This results, in turn, an intensification of uneven geographical development through the urban locational policies (Brenner, 1998: 16). “The state privileges scales, places and spaces through accumulation strategies (economic policy) and hegemonic projects (ideology) (Jones, 1997: 237). As Brenner (1998: 16) continues to observe

Through the deployment of urban locational policies, state space is now being *redifferentiated* and *rescaled* so as to correspond more directly to the (actual or projected) imprint of transnational capital’s locational preferences within each national territory. The goal of national, regional, and local state spatial policies is no longer to alleviate uneven geographical development, but actively to intensify it through the deployment of urban locational policies designed to strengthen the *place-specific socio-economic assets*.

The evolution of state spatiality is “path dependent” since its main characteristics are reproduced, enforced and/or determined by the historical processes. In this sense, state spatiality under neoliberalism does not constitute a rupture from earlier forms; rather it is a continuation in terms of constitutional, administrative and territorial structures (Brenner, 2004). An enormous literature has dealt with the “spatial selectivity” of capitalist development with reference to capital’s persistent tendency to mobilize particular territories as forces of production and for various regimes of accumulation. Uneven development is seen a “geographical medium through which intercapitalist competition and class struggle are fought out” as well as “an evolving spatial-institutional scaffolding within which processes of devalorization and revalorization unfold” (Smith, 1984 cited in Brenner and Theodore, 2002: 355). Implications of neo-liberalism create significant disparities and unevenness between regions, cities, or city-regions. More importantly, these inequalities are “path

dependent” which means that neoliberal restructuring projects are embedded in national, regional, and local contexts defined by the legacies of earlier institutional frames, policy regimes, and political struggles (Brenner and Theodore, 2002: 350-2). Numerous authors, already by the late 1970s, marked growing inequalities between regions and traced these inequalities back to earlier stages of space-forming activities. Soja and Tobin (1977) argued that “crucial decisions” are made at the early phases of development that establish a framework of “locational advantage”, which is inclined to embed itself within the developing spatial system. The basic structures are solidified during the period of “deviation amplification” and tend to maintain themselves throughout time. Similarly, Amin and Trift (1995) made a warning in the case of the European Union by stating that neoliberalization – the rolling back of the welfare state, deregulation, and the unification of markets on a European scale – will bring only the transfer and consolidation of resources towards the “core regions”, which offer the highest returns.

## ***2.2 Historical Embeddedness of Neoliberalism in Turkey: The Gated Industrialization***

The post-1950 history of Turkey is radically shaped by periodic economic crises soon followed by political crises, which resulted in military coups and the rescaling of policy-making and new “temporary” institutional fixes. As Keyman and Öniş (2007: 103) argue,

“populist cycles” and periodic fiscal crises of the state have emerged as persistent features of the Turkish economy ever since the Menderes era of the 1950s [1958-59; 1978-79; 1994; 2000/2001]... Governments have typically initiated populist circles in order to establish broad electoral support. The resultant fiscal inequilibrium and high inflation, in turn, have been followed by a balance of payment crisis and an inevitable encounter with the IMF. The difficulties inherent in applying a severe monetary contraction and deep cuts in government expenditures in the midst of a major economic crisis resulted in the collapse of the democratic regime and its replacement with military rule. In the absence of distributional constraints, military rule has been effective in terms of restoring macroeconomic stability. However, eventually, restoration of democracy has brought to the surface the accumulated distributional claims, thus, marking the upward trend in the populist cycle.

1960 military coup signified a shift from a relatively free market economy to a planned economy, which is characterized by protectionist and inward oriented policies. The economy of the 1950s, which was based on a form semi-industrial substitution and which mainly operated through the production of soft goods by state economic enterprises between 1930-1960 had become fully institutionalized with the substitution of durable goods by the private enterprise (Boratav, 2005a: 120), the constitution of an import regime, which allowed the government to control the quantity and nature of imports<sup>14</sup> and an overvalued exchange rate policy, which overpriced the exports while lowered the cost of imports (Barkey, 1990: 70-75). The real impetus behind the economics of import substitution was both political and modernist: the faith in the industrialization and its occult power in revitalizing the national economy. This is why ISI strategy, initiated by the military junta in 1960, was built upon the consent of a wide umbrella of social and economic groups in Turkey: the new industrial bourgeoisie that had flourished during the 1950s with strong connections to the Republican People's Party, civilian and military bureaucracies that were appealed by the strong nationalist overtone of the ISI period and the industrial working class, which expected to benefit from the new job opportunities and increased salaries given the necessity of the creation of a domestic market under the protected industrialization (Boratav, 2005a). The adoption of ISI as a mode of capitalist restructuring resulted in a sophisticated and increased output in manufacturing sector. Between 1962 and 1978, annual industrial growth was approximately 10% whereas the highest rate of agricultural production fluctuated around 4% (Boratav, 2005a).

The emergence of ISI strategy as a mode of capitalist restructuring also signaled the formation of a new geoeconomic space, which can be characterized by a gated industrialization; the concentration of industrial production in certain growth zones across the country. Paradoxically, the multifaceted ensemble of state spatial projects and state spatial strategies of the ISI era entailed the increasing importance of national

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<sup>14</sup> Import programs were published semi-annually until 1969, then annually until the end of the ISI era. They were issued by the Ministry of Commerce with the guidance of SPO. Until 1980, import regime was organized around 4 lists: (1) The Liberalized List, which consisted of necessary items such as medicine, (2) The Quota List, which encompassed goods whose local production is not sufficient to satisfy domestic demand, (3) Bilateral Trade Imports regulated by special trade agreements, (4) Self-Financed Imports, which included capital goods imported in connection with investments made under project aid (Barkey, 1990: 70-1).



scale as the dominant frame for accumulation and aimed at the centralization, standardization and homogenization of the national economic space. They were based upon the political premise of expanding the economic growth across the national territory as well as alleviating the patterns of uneven spatial development through “planning” as a mode of state intervention (Önder, 2003: 271). By introducing a new state actor, State Planning Organization (SPO), and Priority Areas of Development (PAD), Turkish state attempted to secure a new spatio-temporality, which depended on the ideal of the “development of the entire national economy as an integrated, autocentric, self-enclosed territorial unit moving along a linear developmental trajectory” (Brenner: 2003).

State Planning Organization (SPO) established a few months after the coup in 1960, signaled the main concern of the military actors: an institutionalized economy. As Goker argues, the foundation of SPO was an attempt by the military to guide the state bureaucrats and capitalists through the construction of a “developmentalist state that would serve to the interests of the capital in general” and to prevent the speculative gains and corruption, which ruled the previous eras (Goker, 2006: 125). SPO was included into the new constitution (1961) as an integral state organ in accordance with the Article 41 which indicates that it was “the duty of the state to devise *development plans* which would, *within the confines of democratic processes*, realize the progress of society along economic, social and cultural lines.” (Barkey, 1990: 66, my emphasis) Short after its foundation, it became clear that SPO would not be isolated from the conflicts between different segments of the capitalist class, specifically the big capitalists of the capital cities in the Western parts of the country (for a detailed discussion see Goker, 2006). Yet, SPO, as a representative of the conception of the developmentalist state, continued to suggest policies through five-year development plans (FYDP) and played a significant role in the territorialization and institutionalization of the developmentalist rationale. One of the major spatial projects of SPO was the implementation of Priority Areas of Development (PADs).

In the face of the growing regional disparities, PAD was introduced in the 3<sup>rd</sup> development plan of SPO in order to alleviate of uneven development of the national economy. Of Turkey’s 67 provinces, 42 were initially designated by the state as underdeveloped and in need for developmental assistance and incentives. In addition

to the general subsidy scheme, these provinces were also covered with developmental incentives such as extra tax rebates, free parcel allotments for investment from the Treasury, and rebates on the usage of energy. First implemented in 1968, PAD status gradually expanded and in the early 2000s 49 cities were covered by PAD (see Map 3.1).

Despite all these efforts, the period of ISI between 1960-1980 witnessed a significant concentration of manufacturing sector along size and geographic distribution. Rising out of the telos of industrialization, ISI led to the steady growth of regional disparities and a stark marginalization of certain parts of the country. “In 1980, the largest industrial concerns in Turkey accounted for 49.4 percent of all manufacturing sales. Of the 500, 79 were government/public enterprises. Of the 421 privately owned companies, 253 were organized in the Istanbul region, and these accounted for 61.5 percent of the sales realized by the private sector and 62.4 of its capital”. The Aegean region followed the Marmara region and these two regions alone accounted for more than 70 percent of private sales and private capital. In the list, Black sea region holds a share of 0.2 percent with one firm, whereas eastern and southeastern regions are non-existent (Barkey, 1990: 89 and 130).

The failure of PADs and SPO can be explained by the existence of a parallel scheme of investment incentives for industrialization such as tax rebates and funding subsidies through which state channeled private investments and industrial production. These were the main mechanisms for the Turkish state to guide the newly emerging industrial bourgeoisie and the capitalist class. Each year, the government prepared The General List of Subsidies that indicated agricultural and industrial activities that would be subsidized. A former bureaucrat of SPO states that the subsidy policy could not provide transfer of resources to the underdeveloped regions and could not create a balance among various industrial sectors. This, he argues, was a result of the “primacy given to the price system” in terms of the distribution of the resources to the investments. In a similar vein, many scholars argued that the continuum of the uneven development between regions was based on the absence of punishment mechanisms on the private sector to provide a measured distribution of the investments among industries and geographies (Goker, 2006: 129).

Whereas the state investments flew disproportionately to the investments in manufacturing sector (see Table 2), the share of agriculture in GNP declined dramatically from 35.28% to 21.97% between 1962 and 1980. Commercial importers and industrialists who were in a favorable position to manipulate the “economic rents” for the private sector during the ISI era increased their power steadily, the share of commerce in GDP raised from 6.78% to 12.44% whereas industrial activities increased at a ratio of 5%. More importantly, this explicit protection and favoritism of the state regarding certain sectors was accompanied with a chaos regarding the bureaucratic management of the subsidy schemes. Despite the various attempts to define the legal frame of the subsidies and indicate clearly the bureaus that are authorized to distribute them, the ambiguity and uncertainty regarding the application procedures prevailed in the development plans. Until the late 1970s businessmen associations were still organizing meetings to discuss the procedures of the application process, which became more complicated with the overlapping regulating authorities of SPO, the Ministry of Finance and the Ministry of Industrialization. The chaos created through the ambivalently defined schemes led to an empowerment of the coalition between the “developmentalist state” and the Istanbul-based big capitalists (Bugra, 2005: 198-201).

ISI created two basic forms of exclusion on the basis of business circles: (a) exclusion of emerging smaller scale industrialists located in nonmetropolitan cities across the country, (b) prioritization of industrialization over agriculture and commerce (Şengül, 2009). Given the legal changes in the commercial code and the legalization of conglomerates (Holdings), the ISI period witnessed the birth of huge conglomerates such as Koc Group and Sabanci Group that capitalized mainly on the substitution of durable goods (for a discussion see Bugra, chapter 4). The mounting power of conglomerates had widened the gap between big capitalists in the Western cities and the agricultural producers as well as the small and medium size enterprises all around Anatolia. TUSIAD, founded right after the military coup in 1971 by twelve businessmen who were owners/managers of big groups of companies aimed to ‘prove the social existence of the private sector’, rather than ‘to pursue specific interests of businessmen.’ Yet, the association itself contributed to the growing gap between the metropolis-based capitalists and the Anatolian capitalists. It was seen as a

‘gentlemen’s club’ by the Anatolian capitalists for a long time, which enhanced the exclusion of the Anatolian capital on a symbolic level.

Contrary to the multi-sectoral Istanbul and Ankara based capitalists; industrialists in Anatolian cities could not secure a flexible relation with the centre as their livelihood highly depended upon industrial protection. This constituted a deep contradiction to the linchpin of ISI strategy, under a highly centralized planned economy, the ISI regime had to be “fully operationalized by redressing the geographical unevenness of economic development and industrialization” (Bayırbağ, 2009: 7). In this sense, contrary to the Keynesian welfare state in Europe, the ISI experience in Turkey was a failed “one nation project” which aim at an expansive hegemony in which the support of the entire population is mobilized through material concessions and symbolic rewards (Jessop, 1991). The spatial selectivity of not only capital but also state investments (see Table 1 in Appendix 1.1) led to the deepening of cleavages within the capitalist classes and the working classes scattered on the national geography. In the 1970s, ISI was rather a “two nations project” that aim at a more limited hegemony concerned to mobilize the support of strategically significant sectors of the population and to pass the costs of the project to other sectors/geographies (Jessop, 1991).<sup>15</sup> This explains the organic crisis of the late 1970s combined with an deep economic crisis following the oil crisis in 1973: a hollowed state that is not capable of holding any political and economic legitimacy in face of the growing political mobilization and the social unrest.

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<sup>15</sup> To quote Jessop (1991: 156): “To suggest that hegemony wins almost universal support is misleading. Alternatively, this formulation creates far too large a residual category of states characterized by a crisis of hegemony (and thereby implies that hegemony is far from typical of capitalist societies). The problem can be clarified by distinguishing between “one nation” and “two nations” hegemonic projects. Thus “one nation” strategies aim at an expansive hegemony in which the support of the entire population is mobilized through material concessions and symbolic rewards (as in “social imperialism” and the “Keynesian-welfare state” projects). In contrast, “two nations” projects aim at a more limited hegemony concerned to mobilize the support of strategically significant sectors of the population and to pass the costs of the project to other sectors (as in fascism and Thatcherism). In periods of economic crisis and/or limited scope for material concessions, the prospects for a “one nation” strategy are restricted (unless it involves a perceived equitable sharing of sacrifice), and “two nations” strategies are more likely to be pursued. In addition, where the balance of forces permits, such strategies may also be pursued during periods of expansion and may, indeed, be a precondition of successful accumulation.

In both cases it should be noted that “two nations” projects require containment and even repression of the “other nation” at the same time as they involve selective access and concessions for the more favored “nation.””

By the end of the 1970s, ISI strategy in Turkey was in stalemate, largely due to the supply-side shocks of the 1973 oil crisis. Although the governments starting from the 1970s, tried to adopt economic measures and adapt to the shocks in the international economy by changing the sources of its financing requirements, higher costs for both energy and imported inputs drastically increased public sector's borrowing requirement. This eventually led to high inflation, acute shortages of foreign currency and high budget and trade deficits (Nas, 2008: 26-7). By the end of 1979, Turkish government came to the conclusion that unless a major long-term restructuring program were implemented, Turkish economy would collapse in a few years. On January 24 1980, the government announced the new economic package, the "January 24 Measures", which would dismantle the ISI and adopt an export-oriented economy. The growing social unrest in the country and the general "distrust" to the elected governments by the military officials resulted in the 1980 military coup, which constituted a "threshold" for the implementation of the economic reforms, and a radical transformation of the social, the political and the legal in Turkey (see Chapter 6).

### ***2.3 Newly Emerging Economic Topography: Export-Oriented Manufacturing and Intensifying Inter-City Competition***

Following the military coup in 1980, rapid liberalization programs known as the "measures of January 24" signaled the emergence of the "roll-back" (Peck and Tickell, 2002) restructuring, promoting a pro-business, anti-labour political agenda and opening up spaces for ideological pillars of neoliberal hegemony. Through rapid liberalization programs and structural adjustment plans, Turkish governments gradually steered the economy towards the principles of the "Washington Consensus" which aims to replace the state-centred system with a market-led one by the opening the economy, privatisation, deregulation, decreasing public expenditures, and the provision of the private sector. Rapid liberalization of foreign trade and the foreign exchange system in the early 1980s was followed by tightly controlled wages policies and agricultural prices policies to increase the export capacity and competitiveness of Turkish firms in global markets. All these developments resulted in a significant increase in exports of manufactured goods until the mid-1990s, and at the expense of

sharp income inequality that mostly hampered wage earners and salaried employees (Boratav, 2004; 2005b).<sup>16</sup>

As already discussed above, the post-1960 history of Turkey is characterized by considerable industrialization and the increased importance of a “planned” and centralized economy. Under the state strategy of capital accumulation, namely Import Substitution Industrialization (ISI), industrialization has slowly started to spread across Anatolia, and Turkey has witnessed the birth of a new fraction of industrial bourgeoisie in cities like Çorum, Kayseri, Denizli, Konya and Gaziantep. These nascent industrialist classes who successfully converted their agricultural and commercial capital into industry have flourished due to the introduction of neoliberal policies and the explicit adoption of exports as a state strategy after 1980s.

Istanbul, Bursa, Kocaeli, Izmir, Ankara and Adana are the biggest industrial centers of Turkey, and benefited massively from the state incentives and investments of the ISI strategy. Tekirdağ, Kırklareli, Sakarya, Balıkesir, Eskişehir, Manisa and İçel are among a second group of cities, which went through an accelerated industrialisation due to their geographical proximity to the big industrial centers. The introduction of neoliberal policies and the explicit adoption of exports as a state strategy, resulted in a new wave of industrialization in a number of rapidly growing medium-sized cities in Anatolia such as Gaziantep, Denizli, Kayseri, Malatya, Konya and Çorum; these regional industrial sites are known internationally as “Anatolian Tigers”. These newly emerging industrial sites have rapidly climbed the ladder in the last twenty years and had a meteoric rise in the last 15 years in terms of growth rates in the manufacturing sector. Their economic success has created a popular acclaim in Turkey and fuelled an academic discussion over the possibilities of the empowerment of localities and the elimination of the acute problem of uneven regional development in Turkey. However, contrary to the popular acclamation of such a revival, inequalities between cities deepened. In terms of export-led strategies, 19 cities alone hold 90 percent of total production and employment in the manufacturing sector (Pamuk, 2008).

As can be seen from the Figure 1 (see Appendix 1.2 for Figure 1), these newly emerged industrial sites are not concentrated in one region nor they are hinterland

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<sup>16</sup> In 1980 public sector wages were 25 percent higher than those of private sector workers. By 1987, private sector workers earned 30 percent more compared to public sector workers whereas in 1995 this figure rose to 56%. (Yavuz, 2003: 88).

provinces (like Icel, Manisa, Bursa, Kocaeli), which are close to traditional regional centres (Istanbul, Ankara, Izmir or Adana). They are rather scattered in between regions and they have been mostly evaluated as the take-off of the Anatolian small medium enterprises (SMEs) (Özcan, 1995; 1997) following the neoliberal turn in Turkish economy. As Eraydın (2002; p.73) argues: “the first leap in Denizli, Gaziantep and Çorum dates back to 1980s and the fast economic growth had appeared as a result of the mutual interaction between liberal macro-economic policies and local accumulated capacity and the policies nourishing local dynamics”. Anatolian Tigers made ample use of strategic infrastructural investments and state subsidies from the ISI period under the PAD scheme, pre-existing local capital, a cheap labour force, non-unionized flexible labour regimes, and small and medium enterprises run mostly by families (Özcan, 2000; Buğra and Savaşkan, 2010). These new industrial sites had the advantage of accumulation they possessed before the 1980s, and like the examples of the new industrial sites in Southern Europe and Italy, a local development model based on flexible sectoral specialisation, helped positioning of them in a more advantageous place compared to other provinces in the process of outward orientation (Özaslan, 2006).

Moreover, this economic transformation in Anatolia coincided with the emergence of political Islam, and Islamic business institutions such as MÜSİAD (The Independent Businessmen Association) and HURSIAD (The Free Industrialists and Businessmen Association) as well as the proliferation of local businessmen’s associations. These umbrella organizations along with local business associations have not only operated as networks of trust and solidarity between Anatolian capitalists, but have also articulated perfectly with the neoliberal idea of “local empowerment” or “local upgrading” in which collective actors such as business associations are seen as essential players. Recent studies on these newly emerging industrial sites imply close connections, even cooperative coalitions between the local bourgeoisie and local state institutions. The political activism of the local bourgeoisie, which established “local business associations as the institutional core of the emerging local governance structure” (Bayırbağ, 2009), also allowed local economic elites to constitute a local political neoliberal agenda, mostly defined on the basis of pro-business interests and goals (Yuksel, 2009).

The post-1980 era in Turkey constitutes an example of a radical passage to the market oriented economy; an “adjustment from above,” (Öniş, 1991) which brought significant changes in a multitude of areas including the restructuring of the market, the state and the national geography in a very short period of time. This explains why “glocal developmentalism” (Brenner, 2003: 207), which is based on the fragmentation of national economy into district regional and urban economies with their own specific locational assets took two decades to be fully operationalized. In this sense, post-1980 era was mainly characterized with a strange mixture of a radical change in the perception of economy and state spatial policies based on the continual belief in the idea of national developmentalism. For instance, the creation of Free Zones (see the rest of this chapter) was a spatial policy, which directly aimed at the empowerment of place-specific advantages in the liberal economy. On the other hand, the PAD scheme was perpetuated; even with Law 5084 Turkish state adopted additional incentives and tax rebates for the cities under the Emergency Rule in order to create employment, facilitate investments and industrialization in the undeveloped areas. However, all these efforts for the creation of an integrated national economy proved to be ineffective. As the recent studies on regional disparities reveal, the disparities between the cities under PAD and the rest of the country have widened at breakneck speed in the last decade. (Erk et al, 2000)

Another example of the intermingling of the interspatial local competition and the national developmentalism is the Southeastern Anatolia Projects (GAP), which is a “highly modernizing project” of massive economic subsidies and social development programs led by state institutions and by far the largest project ever taken by Turkey both in its implementation area and financial terms (see Appendix 1.3 for Box 1). Launched a few years before the dissolution of the ISI model, GAP aims for a massive “integrated” economic and social development of the Southeast Anatolia region, which has connoted ‘underdevelopment’ throughout the history of the Republic. The efficiency of GAP has gradually become one of the most controversial topics of Turkey in the last two decades due to persisting regional disparities and poverty in the region. Whereas some authors argued that GAP and its goals, namely regional development conflicted with the necessities of the neoliberal restructuring (Keyder, 2004), others argued that it was doomed to failure from the beginning as it



ignored the local social and political structure of the region (Eder and Carkoglu, 2005).

After 2010, we observe a dismantlement of this developmentalist logic, which works under the primacy of the regional and national scales. In 2012, the subsidy scheme – the most effective instrument of the state in its interventions to the national geography and intra-bourgeois relations since the foundation of the Republic – was restructured by the JDP government. Free Zone Law is waiting to pass through a radical transformation, which is modeled on the special economic zones in Southeast Asia. The uneven economy of the liberal Turkey is being transformed into a fragmented economic geography, which is led directly by the state and its spatial policies and which is characterized by the intensifying inter-city competition, now turned into a zero-sum game between the localities.

*(1) Restructuring the Subsidies: Each should be defined on the basis of its own needs and strengths*

The subsidy schemes continued to be efficient instruments in the hands of the Turkish government to channel the investments and exports after the introduction of liberalism. During the 1980s, the governments supported the private sector through export-led subsidy schemes; after 1995 export-led subsidies were replaced by investment oriented subsidy schemes. The PAD was integrated into this general subsidy scheme in the 1990s, the national geography was divided into four regions on the basis of socio-economic development indexes, and subsidies were granted to the cities in zone 3 and 4. This four-zoned subsidy scheme was in effect until 2012. During my interviews, the subsidy scheme was usually criticized on the basis of its ineptness. Businessmen in Gaziantep were feeling isolated because their city was grouped under the zone 2 and left out of the subsidy scheme whereas businessmen in Diyarbakir were complaining about the subsidy policies, which were blind to the historical conditions that led to the poverty and underdevelopment of the Kurdish region (for a discussion on the state subsidies regarding the relations between business circles and classes see chapter 7).

As a response to the growing criticisms on the parts of different segments of the business elite, JDP government in 2012 adopted a *graduated* subsidy scheme, which

includes not only the geographical location and the level of economic indicators as a determining factor but also the quality and the quantity of the planned investment. In this new subsidy scheme, the national geography is divided into six zones from the most developed to the least. Rather than adopting a regional division, the new subsidy scheme assessed each city individually on the basis of the indicators of socio-economic development index and their endogenous economic assets and potential for international competition. The 32 cities within the fifth and sixth zones (the least developed) are accorded the most incentives whereas the scope of incentives decreases gradually according the zone of development. With the exception of the cities in the sixth zone (the least developed cities) that are concentrated in the Kurdish provinces of southeast and east regions of Turkey, the developmental zones crosscut the previous regions and bring individually assessed cities under uniform subsidy packages.<sup>17</sup> This signals not only the total dismantlement of the “regional scale,” which dominated the developmental policies of the Turkish state since its foundation but also the passage from a self-enclosed national territory to a more fragmented one.

The new graduated subsidy program received quite positive responses from the business circles. The main actors of Turkish business life such as MUSIAD, TUSIAD, TIM, TGUİK agreed that this new package would be the necessary step for alleviating the regional disparities and the growing current account deficit, but more importantly the subsidy scheme would lead to the industrial clustering and technological development that is needed for further industrialization. Yet, at the local and regional level, the competitive logic of the neoliberal spatial policies and intensifying interlocal competition becomes apparent. Adana, which is one of the most developed industrial centers of the Anatolia, is placed in the second grade-zone. The president of the Chamber of Industry in Adana states that

in this scheme, Adana is defined within the second zone whereas our neighbors are in a more favorable position. For instance, Mersin is in third zone, Hatay in forth and Osmaniye in fifth. *Adana is assessed as if it is a*

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<sup>17</sup> The quality and the quantity of the planned investment are also included in the new subsidy program: large-scale investments and “strategic investments” in education, transportation, mining, defense industry and pharmaceutical industry in collaboration with the Health Ministry as well as investments in tourism and fair organizations are accorded with incentives of the Zone 6 independent of the location of the investment. See 2012 / 3305 Sayılı Karar (Resmi Gazete Yayın Tarih / Sayısı : 19.06.2012 / 28328); 2012 / 3305 Sayılı Karar Ekleri : EK - 1; 2012 / 3305 Sayılı Karar Ekleri : EK - 2, downloaded from <http://www.ekonomi.gov.tr/index.cfm?sayfa=mevzuat&bolum=593157CC-EF4C-AFE0-3B64D279A37C0F02>

*developed city*. However, given the increasing unemployment and the long period of neglect by the governments, we expected Adana to be placed in Zone 3. Due to the subsidies transferred to our neighbors since 2004, in Adana employment and production has been in a dramatic decay.<sup>18</sup>

In a similar vein, having said that he is content with new subsidy program, the chairman of the board of Chamber of Industry in Gaziantep, Adil Konukoglu, says that the businessmen of Gaziantep will do their best to attract the incentives accorded to the cities in zone 6

I am disappointed with the place of Gaziantep in this new map; I expected our city to be in a higher grade-zone [among the least developed cities]. We are in third grade-zone whereas our neighbors are in fifth and sixth zones. However, we will eliminate this inconvenience by making use of incentives applied to “strategic investments” and incentives designed for organized industrial zones. We have to expand our organized industrial zones, and create industrial clustering in order to eliminate the advantages of our neighbors.<sup>19</sup>

In the Kurdish region, which is under zone six, the least developed, the subsidy program is celebrated as the ultimate solution to the problem of underdevelopment and the regional inequalities. The hope for a prosperous future built upon the “organized industrial zones”<sup>20</sup> as the locomotives of industrialization pervades the business life. The president of the Chamber of Commerce and Industry in Siirt celebrated the new subsidy program as he hoped it would fill the abandoned and empty organized industrial zone of the city with investors and working factories. The

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<sup>18</sup> The MP of the nationalist oppositional party (MHP) made a more radical statement saying that the people of Adana would call the government to account for the ‘subsidy coup’. See, “Adana Tesvik Darbesinin Hesabini Soracaktır,” retrieved from <http://www.adanayorum.com/root.vol?title=mhp-adana-milletvekili-seyfettin-yilmaz-adana-tesvik-darbesinin-hesabini-soracaktır&exec=page&nid=384633>

also see, “Iste Heyecan,” retrieved from <http://ekonomi.haberturk.com/makro-ekonomi/haber/731381-iste-heyecan>

<sup>19</sup> For the statements of businessmen associations including Gaziantep, see “Is Dunyasi Tesvik Paketi Icin Ne dedi?’, Patronlar Dunyasi, retrieved from <http://www.patronlardunyasi.com/yhaber.asp?haberid=124443>

<sup>20</sup> The establishment of Organized Industrial Zones in Turkey dates back to 1960s. The telos of industrialization, which defined the ISI era, has led to an understanding that the development of a city should be assessed in terms of the production volume of its OIZ. OIZ are the embodiment of the faith in industrialization and signify ‘the future of the city and its dwellers.’ (see Part 3). First OIZ was established in Bursa in 1962 with the financial support from World Bank. In the 1990s, Ministry of Industry and Commerce set up a fund, which would be used for the prevalence of OIZ. The establishment of OIZ in a city should be decided by the Council of Ministers and be funded from this special fund within the administration of Ministry of Industry and Commerce. 99 percent of infrastructural investments are met through the OIZ fund, and 1 percent of the costs are met by local businessmen associations or Chambers of Industry and Commerce. (OSBÜK, 2007:1).

president of the Association of the Businessmen and Industrialists of Diyarbakir (DISIAD), Raif Turk, argued that for the first time the businessmen of the *region* feel that their voices are heard. Having said that the subsidy scheme would definitely eliminate the regional inequalities by attracting external investments from the West, the president of GUNSIAD, Sah İsmail Bedirhanoglu says

this scheme supports parallel investments. That is to say, if an investor in Istanbul makes the same investment in the region [Kurdish region] his investment in Istanbul will also be subsidized as in grade-zone six. This will lead the way to external investments to the region. The new subsidy scheme mostly meets our expectations. For years, we asked for the governments to provide a distinct subsidy frame for the region.<sup>21</sup>

It is clear that the intensifying interlocal competition has re/defined the rules of the market and the texture of the national geography, turning the latter into a field of “zero-sum-competition.” The fragmented national geography among local and regional economies can only survive through the spatial selectivity of the state in the forms of subsidies and incentives, either to industrialization and manufacturing or boosting of the tourism projects. In this geography driven by the zero-sum-game, the livelihood of businessmen in the relatively underdeveloped zones depend on the external factors, localities are put in a period of “waiting” for the subsidies, for their voices to be heard by the state or for the favorable conditions for the interests of the external investors. The present of the localities surrenders to the future, and the horizon for the future surrenders to the incentive schemes by the state that will help them to catch the already slowed wave of industrialization. While the new subsidy program constituted the first step of the new economic topography of JDP, the adaptation of Free Zones and their recalibration under the neoliberal demands constitute the next stage.

### *(2) Free Zones: An Experimentation on the National Economy*

The implementation of Free Zones is one of the first experiments of the Turkish state in creating a fragmented geography. As a form of a zoning technology, Free Zones are granted with specific rules that constitute exceptions to the general import/export regimes and custom rule regimes of Turkey. Few experiments in creating isolated

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<sup>21</sup> “Is Dunyasi Tesvik Paketi Icin Ne dedi?”, Patronlar Dunyasi, retrieved from <http://www.patronlardunyasi.com/yhaber.asp?haberid=124443>

special economic zones in the history of the Republic<sup>22</sup> notwithstanding, free zones became effective following the liberalization of economy in 1980. Now, they constitute one of the main tenets of the economic and spatial restructuring of JDP government beside the new graduated subsidy program.

In 1985, with the objective of increasing export oriented investment and production in Turkey the government issued the Law on Free Zones, which envisages the establishment of Free Zones – alternatively encoded territorialities for entrepreneurial activities and experiments (Ong, 2007: 6), which are constituted on the basis of the replacement of national administrative and legal arrangements by a wide array of state special subsidies for industrial and commercial activities (See Figure 2 in Appendix 1.4). As of 2012, there are 19 Free Zones all over Turkey accommodating 2,091 national firms and 406 are foreign enterprises. Main objectives of the free zones are: (1) to promote export-oriented production and investment; (2) to accelerate and canalize direct foreign investment and technology, (3) to incentivize the firms into export activities; (4) to develop international trade. With these aims, the regulation attempts to facilitate the export of Turkish products as well as create employment for urban economies.

The general secretary of the Chamber of Industry in Gaziantep (GSO), Kürşat Göncü, explains how the establishment of Gaziantep Free Zone was the result of a local initiative:

It is the people of Gaziantep who initiated the establishment of Gaziantep Free Zone. We heard about the existence of Free Zones in the early 1990s when Mersin and Mardin were the first benefiting cities. The idea behind it was fascinating. As a local economy that tried to expand its sphere of influence and increase its exports, we believed that Free Zones would allow us to attract investment and develop intensifying ties with the Europe (...) In the mid 1990s, thanks to several trips to Ankara, I convinced the state officers to establish the third one in Gaziantep... Many [bureaucratic] problems came our way during this period. Yet, we managed to solve them.<sup>23</sup>

<sup>22</sup> There are three free zoning attempts in Istanbul; one was in 1927 and in collaboration with Ford Company regarding the production of vehicles. The other attempts were in 1946 and 1953 and both failed before two months. During the 1960s and 1970s, there were many discussions around the Free Zone Law, however they were not finalized in the form of legislation.

<sup>23</sup> Interview in Gaziantep, May 2009.

In my interviews in 2009 and 2010, many businessmen along with the presidents of businessmen associations and chambers firmly argued that the attempts by the state failed due to procedural problems, and the latter rendered the Free Zones inefficient. Given the fact that Free zones had rather a limited contribution to the export capacity of Turkey, with 8% of total exports, their revision was inevitable. In the last couple of years, the Ministry of Economy<sup>24</sup> in cooperation with TOBB, TIM and local business circles attempt to revise the Free Zone Law. The major motive behind the revision of the Free Zones is the necessity to decrease the foreign trade deficit, which increased at a rate of 90% from 2009 to 2010. First step of the revision was the dismantlement of the offices of subsidies and foreign capital working under Treasury and their reconcentration under two newly established institutions: Directorate General of Subsidies and Foreign Capital and Directorate General of Free Zones, Overseas Investments and Services. These two offices were attached to the newly established Ministry of Economy in 2011. This second office is in charge of the creation of “exclusive economic zones” (EEZ) for the Turkish state in foreign countries with high concentration of raw material (for now the planned countries include China, India, Korea and USA) and the creation of “new generation free zones” within Turkey that would attract foreign investors. Taking the special economic zones in China and Korea as examples for the recalibration of Free Zones, the state subsidies in free zones will be directed to the attraction of economic sectors of high import rates.<sup>25</sup> The first informative meeting took place in Gaziantep in December 2011. As it is discussed in the meeting, the economic minister, Caglayan has the dream of establishing an industrial triangle of Gaziantep, Adana and Mersin – the competing industrial centres in the south Turkey. The minister’s visit to the Incheon Free Economic Zone in South Korea was mentioned frequently in the meeting. Incheon Free Economic Zone consists of three sub-regions, Songdo, Cheongna and Yeongjyong, and is specially designated area to create the most favourable business environment for investments in logistics, international business, leisure, and tourism

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<sup>24</sup> Ministry of Economy was founded in the place of Undersecretariat of Foreign Trade in 2011 within the *reinstitutionalization of the state* under JDP rule. Along with the foundation of Ministry of Economy, this reinstitutionalization included the foundation of new ministries such as EU Ministry, Development Ministry replacing the state institute SPO (see this chapter), and a reorganization and reallocation of the responsibilities within the government. For instance, Ministry of Industry and Commerce was divided into two ministries: Ministry of Science, Industry and Technology and Ministry of Custom and Commerce.

<sup>25</sup> ‘Yeni nesil sanayi bolgeleri geliyor’, 10.12.2011, Sabah.

for the Northeast Asian region. The “new generation of free zones” will benefit from an exceptional subsidy scheme regarding the investments and will be exempt from import/export regimes and custom rule regimes of Turkey.

Another important revision regarding the Free Zones includes the construction of “expertise free zones” to attract investments regarding health tourism, software programming, education, media and film industry. Caglayan also visited the Bollywood film industry in India and had contacts with the film producers. As the TOBB Free Zone officer argues, until now free zones aimed at increasing product export, product exchange and warehousing business, yet from now on the priority will be given to the service-related services:

Media sector started to be a strategic sector in Middle East... Starting from the 2000s, special zones exempt from taxes were constituted in Egypt, Jordan, and the United Arab Emirates. *Media Production City* in Egypt, which emerged out of 400 billion dollars of investment, is one of the most important examples (cited in Alp, 2011).

The legislature on exclusive economic zones is not finalized yet. However, Directorate General of Free Zones, Overseas Investments and Services initiated a committee for the promotion of these economic zones in the international business fairs. The main theme of their PR policy is the emergence of Turkey as a safe and business-friendly country for foreign investments in the growing insecure atmosphere of Arab countries. The president director of the Free Zone in Gaziantep firmly believes in the potential for Gaziantep and the JDP government. Gaziantep is “the only door of Europe opening to the Middle East,” and with the revision of Free Zones, the city will reach its full potential. “The fragility of Middle Eastern economies in terms of security is our biggest strength,” he says. “In the 1990s, during the coalition governments, Free Zones were neglected and were not used in their full capacity. But the government of JDP, especially the new Minister of Economy, Zafer Caglayan, respond well to the necessities of our age. Zafer Caglayan is a former businessman, so he fully understands the ways the markets should function and the ways the businessmen should be supported.”<sup>26</sup>

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<sup>26</sup> Interview in Gaziantep, July, 2010.

## ***2.4 The Rediscovery of the Urban: New Forms of Localisms and State Actors***

The post-1980 political atmosphere was highly characterized by the rediscovery of localities and local governments, and the emergence of the debates on decentralization. Initiated by the Prime Minister Turgut Özal<sup>27</sup> in 1984 and 1985, the reforms of local state institutions not only rendered cities as chief institutional arenas through which the entrepreneurial logic of neoliberalism has evolved, but also brought local municipalities to the agenda of local interest groups within the city – including new migrant elites (for the transformation of local state institutions see Erder and İncioğlu, 2008 and for the case of Gaziantep see Yuksel, 2009). This new type of localism inevitably altered the existing dynamics between localities and the central government, reducing the centrality of the latter. It also led to a new form of municipal finance characterized by the increasing use of foreign credit and participation in international networks, organizations, and associations (Özcan, 2000).

### *(1) Reforms in Municipalities and The Rise of Entrepreneurial Mayor*

In terms of the downscaling of statehood, a new form of municipal institutionalism was established concerning the structure, authority and financial capacity of municipalities. In 1984, through Law no. 3030, the Motherland Party introduced a hierarchical two-tier metropolitan municipality model, being 'the Metropolitan Municipality' as the first tier, and the district municipalities as the second.<sup>28</sup> Law no. 3030 introduced a fundamental shift in the responsibilities of metropolitan municipalities. Metropolitan municipalities were entrusted with the duty of “planning, programming and implementation of 'large scale investments' concerning the construction sector” and “preservation of 'health and security' within boundaries of the metropolitan area.” (Şengül, 2009) This new set of responsibilities paved the way for municipalities to make, ratify and implement their own urban development plans, which can be seen a move to speed up the urbanization of capital and led to the birth

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<sup>27</sup> Turgut Ozal, president of Motherland Party, Prime Minister of Turkey between 1983 and 1989 and the President of Turkey between 1989-1991, is accepted as the architect of the liberal Turkey, see chapter 6.

<sup>28</sup> It was first Istanbul, Izmir and Ankara that became metropolitan municipalities in 1984. The second wave (between 1986-88) included Adana, Bursa, Gaziantep, Konya and Kayseri. And the third wave (1993) consisted of Diyarbakır, Antalya, Eskişehir, Erzurum, Mersin, Izmit and Samsun.



of the metropolitan mayor as a true “entrepreneurial urban manager”.<sup>29</sup> These reforms in municipal regime also raised the question of the “image of the city” as a contested arena between various local groups in urban economies. Building a “physical and social imaginary” of cities suited for competitive goals and recasting localities through the creation of an “attractive urban imaginary” (Harvey, 2001) has become a major concern for local state institutions. The proliferation of various discourses on “attraction centres”, “regional destinations”, “brand cities”, “tourist attractions” in Anatolian cities, including southeast Anatolia, points to an intensifying burden on the local state institutions to open space for their localities in the heightened interlocal competition (see Chapters 4, 8 and 9).

The extended scope of responsibility on the parts of municipalities has also brought local state institutions into the agenda of capitalist interests by multiplying the interactions between local state institutions and local as well as global capital. This included direct interventions by the local bourgeoisie into the trajectory of the cities under neoliberal policies through coalitions with local state institutions. The entrepreneurial circles in the cities and local state institutions have developed their own “cooperative regimes” and “problem-solving techniques” (Bayırbağ, 2010) to recast their localities in the global interlocal competition (such as promoting and privileging infrastructural investments to stimulate industrial production at the expense of an urban politics defined solely on the basis of business interests, which is clearly visible in the case of the Anatolian Tigers). And as municipalities have increasingly started to undertake infrastructural projects, through subcontracting mechanisms, they contributed to the inclusion of private capital into urban space by creating new strategies of capital transfer and accumulation for the private sector (Şengül, 2009). Increasing use of foreign credit has also complicated the dynamics of local politics by multiplying actors who intervene into the urban space and the orchestration process of the production of the city image (Bayırbağ, 2010; Özcan, 2000).

The emergence of the urban scale as a dominant frame, which is empowered through the above mentioned legislations during the 1980s was also strictly related to the

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<sup>29</sup> For instance, Law no. 3030 defines the mayor's responsibility "to have the municipality, its subsidiaries and its enterprises run effectively, regularly and quickly", for a discussion see Bayırbağ, 2009.

restructuring of the countryside and the internationalization of the agricultural sector in Turkey. The liberalization process since 1980 unleashed a swift process of de-ruralization and unprecedented levels of impoverishment with high rates of de-peasantization in rural areas (Aydin, 2010; Keyder and Yenal, 2011). Although the introduction of the mechanization of agriculture in 1950s and the attempts at the modernization and capitalization of agriculture during the ISI period gradually dissolved the traditional relations of production in the countryside, 1980s signalled the beginning of the total elimination of subsidies to agriculture and the radical reduction of public investment in the agricultural sector (Aydin, 2010). A new agricultural regime has been implemented in successive waves between 1980 and 2006 under the demands of EU, GATT, WTO, IMF and WB, which imposed the elimination of any form of domestic support and the latter's replacement with transnational companies (TNCs).<sup>30</sup> While the state withdrew from the countryside deregulating the agricultural space and leaving it to TNCs, the urban scale was rediscovered in the light of a new entrepreneurial logic. After 1985, the population in countryside started to shrink in absolute terms, while millions of rural migrants populated the cities at an unprecedented speed. The municipalities' increased control over urban development rights created an area of urban rent for the newcomers to the city, which had been effectively used during the 1980s for populist policies, that is to say, as a means for gaining the 'consent' of the poor segments of urban economies (Şengül, 2009; also see Buğra, 1998b). The rural-to-urban migration starting in the 1970s, continued on massive scales in the last decades. The successive waves of the deregulation of the agriculture after the 1994 crisis, hurled an army of unemployed peasants into the cities. Only between 2004 and 2006, 1.3 million people left agriculture. According to TISK, the Trade Union Confederation of Turkish Businessmen, Turkey came second in the world in terms of the rise of unemployment rates between 1997 and 2006 with an increase from 6.3 to 9.9 percent (Aydin, 2010: 174). The inflow of Kurdish migrants who were forced to migrate from their villages by the Turkish state during the 1990s tripled the effects of the internationalization of

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<sup>30</sup> Since the 1994 crisis, there has been a gradual decline in the subsidies to agricultural sector, and the subsidies were totally liquidated after 2000. Sugar and Tobacco production was radically restructured and privatized in 2001. 2006 Agrarian Law, 2006 Seeds Law meant the last stage of deregulation in the agricultural sector, which swept away the accustomed networks of information and production in the rural parts. (Aydin, 2010).

the agricultural sector and resulted in the “forced urbanization” of many cities in the western and eastern parts of the country.

As it will be discussed in the following chapter, in the face of growing urban poverty the municipalities controlled by the former pro-Islamic Welfare Party (for a list of pro-Islamic parties see the Box 2 in Appendix 1.5), opened up a room for social policy at the local scale, thus turned municipalities into key actors in social policy. Hence, social policy has gradually been downscaled, and with the bottom-up movement of the Islamic movement in Turkey, municipalities were rendered into local mechanisms of ‘service delivery’. Yet, these pragmatic policy delivery efforts later constituted the blueprint of the broader, and ideologically consolidated, national policy-agenda of the JDP when it came to power in 2002 following the economic crisis of 2001 (Bayirbag, 2009).

*(2) The Redefinition of Mass Housing Administration: A Newly Emerged Multiscalar Actor*

What characterized the period after the early 2000s was the emergence of the new housing program adopted by the JDP government as one of the major pillars of the party’s broader, populist, social policy. The institutional reforms by the ruling JDP (between 2002 and 2008) regarding the restructuring of the real estate markets and the rise of Mass Housing Administration (MHA) as a site of political innovation and intervention can be taken as responses to the 2001 crisis and an attempt to supersede the populist urban regimes by a neoliberal one, which no longer tolerates informal markets and former populist strategies of rent (re)distribution. (Kuyucu and Ünsal, 2010)

This new urban regime is mainly guided through a redefinition of an already existing state institution and new regulations on the authorities of the municipalities. Following the reforms regarding the squatter housing regime<sup>31</sup> in 2004, JDP passed the new Municipality Law (Law No. 5393), which equips the district municipalities with the authority to implement “transformation projects in obsolescent and unsafe areas” in partnership with the MHA. This has widened the jurisdiction of

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<sup>31</sup> For a long time, squatter housing areas built on invaded treasure land worked as “vote-seeking and wealth creation” channels for political parties. Yet, in 2004 (Law No. 5237, the construction of squatter houses was made, for the first time, a criminal offence to be punished by five years in prison. For a discussion, see Tuna Kuyucu and Ozlem Unsal, (2010, pp. 6-7).

municipalities, yet has also determined their room for manoeuvre in urban spaces as the MHA emerged as a strong partner entitled with various powers for planning/zoning the urban space. Gradually, the MHA became the most powerful real estate developer in the country, the sole agency to regulate the zoning and sale of almost all state-owned urban land.

Mass Housing Administration was founded in 1984 as an autonomous state institution, which would assist the construction and development of housing projects for the lower and middle classes in Turkey. The foundation of the institution was laid upon the Articles 56 and 57 of the 1982 Constitution, which formulates the right to decent housing as a responsibility of the state, and states that this responsibility should be carried through the promotion of mass housing projects. The Mass Housing Fund was created as an extrabudgetary fund (see Chapter 6) to provide financial support for the institution. From 1984 to 1987, around one million citizens benefited from the credit opportunities for cooperative housing offered by this extrabudgetary fund. The fund was included in the general budget in 1993, and was totally liquidated in 2001. In 2003, under JDP, MHA was transformed from an inefficient institution to an entrepreneurial entity whose responsibilities were redefined and brought in line with a fully formalized and commodified urban regime.<sup>32</sup> The first set of reforms regarding the responsibilities of MHA allowed the institution to establish companies and involve in partnerships with the construction firms to carry out projects in Turkey and abroad and to develop “for-profit projects” to raise revenues for public housing construction. In 2004, with another amendment, MHA was accorded the authority for preparing and modifying planning/zoning plans in squatter housing areas and the right to expropriate property for the common good. The same year, 64.5 million square meters of land were transferred to MHA, with no cost, “so that the MHA can use land more efficiently with fewer bureaucratic obstacles” (see [www. toki.gov.tr](http://www.toki.gov.tr)). In 2005, Law No. 5366 accorded the municipalities the authority to implement “renewal projects” in historically and culturally significant sites in partnership with MHA.

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<sup>32</sup> On August 2003, with the amendments to Law Number 4966, MHA was accorded the authority to (1) establish firms and become financial partners with already established firms in housing sector (2) Provide credits for individuals or groups of individuals; provide credits for projects aiming to renovate squatter areas and rural areas in order to protect the local architectural texture and history (3) develop projects abroad and to establish partnership with international companies (4) Implement profit oriented projects in order to provide funds for self-financing (5) implement, subsidize and promote “transformation projects in obsolescent and unsafe areas” if necessary. See [www. toki.gov.tr](http://www.toki.gov.tr).

Combined with Law No. 5393, which envisaged the implementation of “transformation projects in obsolescent and unsafe areas,” a series of urban renewal projects started in Istanbul, and then rapidly scattered all around Anatolia. In 2013, in the face of growing criticisms on the parts of NGOs and the Chambers of Architecture, the Minister of Environment and Urbanization, Erdogan Bayraktar argued that urban renovation is a necessary step in creating ‘brand cities’ equipped with the necessity of the ‘modern life.’ His estimation for the year 2013 was the start of 250 urban regeneration projects in Turkey and the destruction of approximately seven million houses.<sup>33</sup>

Since 2003, the MHA is officially affiliated to the prime minister and has become a fully self-financing corporation that operates under market conditions and generates relatively high-income ratios.<sup>34</sup> It plays a formative role in the emergence of multiscale modes of local governance, massively recalibrated towards profitability and entrepreneurialship. It also operates as a mediator between various sociospatial scales and creates links between seemingly distant subjectivities such as *gecekondu* populations and supranational financial institutions. In this way, the MHA should be understood as an outcome of an array of spatial, regulatory and institutional arrangements to facilitate the neoliberal restructuring (Perchel, 2010). The MHA, which has carried out 234 projects throughout Turkey, envisages three major projects in the Southeast Turkey: the regeneration of the Suriçi district in Diyarbakır (see Chapter 5), the Mardin Houses Project in Mardin and the recreation of Hasankeyf in Batman.<sup>35</sup> All these projects are MHA-municipalities partnerships and aim at a redefinition and recreation of historical and cultural sites. With ample regulatory authorities, the MHA privatizes valuable state-owned land and creates a housing

<sup>33</sup> ‘Torenle Yikim Yapacagiz,’ 03.04.2013, retrieved from <http://www.emlaklobisi.com/emlak/erdogan-bayraktar-torenle-yikim-yapacagiz-16179.html>

<sup>34</sup> Between 2003 and 2010, the MHA constructed about 500 000 housing units, 432 trade centres and 137 hospitals, see [www.toki.gov.tr](http://www.toki.gov.tr). Between 2005 and 2007, its net operational income has multiplied five fold whereas its total assets increased from 5.732 million to 14.217 million in TL. (Perchel, 2010: 8)

<sup>35</sup> In Batman, the MHA Project includes rebuilding the historical city Hasankeyf, which will be flooded by Ilisu Dam. The MHA plans to build 596 houses and apartment blocks for the residents of Hasankeyf who will become homeless after the flood. The houses owned by the villagers will be accepted as advance payment, whereas the rest is expected to be paid in 20 years. In Mardin, with the partnership of the MHA, Mardin municipality and Mardin governorship, it is decided that 570 houses will be demolished whereas more than 800 houses will be partly destroyed. In their place, the MHA will build 1440 houses. In Diyarbakır, the regeneration project now includes Alipaşa-Lalebey and Cevatpaşa neighborhoods. The evacuations have already started. The project envisages the destruction of *gecekondus* and their replacement with newly built houses attuned to the fabric of the historical city.

market for low-income city dwellers, but more importantly it intervenes in the processes of “externalization of culture and history” within urban spaces (see Chapter 9).

## ***2.5 Recapitulation***

Rather than being the “ultimate form” or a “coherent, stable regime of state-society and state-market relations”, neoliberalism is an ensemble of conflicting policy interventions and implementations to overcome systematic failures of capitalism and to ensure its continuity. It is a temporally and contextually bounded process, which does not constitute a rupture between two moments – a past frame and its successor (Brenner et al, 2010a: 191). This chapter aimed to provide an analysis of the temporality of neoliberalism in Turkey, by showing the latter’s embeddedness in the former national developmentalist logic of the ISI era. I traced the actors, the state spatial projects and instruments in re/defining and re/shaping the national economic geography since 1960 in an attempt to show the ways in which the uneven and fragmented geography of neoliberal Turkey evolved out of the ‘gated industrialization’ of the ISI era.

In the ISI era, the formation of a planning institution, SPO, and the implementation of PAD defined a specific spatio-temporality of the national economy as an integrated and self-enclosed unit moving along a linear developmental trajectory. The homogenization of the industrial development across the nation was the main ideal of the ISI era, yet it was continuously interrupted and conflicted with the subsidy programs of the state resulting in increasing inequalities and forms of exclusion. The “roll-back” (Peck and Tickell, 2002) in the early 1980s brought a revival of production and exports in the manufacturing sector, specifically in cities, which entered the “deregulation” period with “locational” and “infrastructural” advantages. The emergence of export-led growth zones such as the Anatolian Tigers was an expected result of the replacement of the telos of industrialization with the telos of exportation. The subsidies designed to promote export-oriented activities combined with the infrastructural development of the industry-led policies of the ISI era and various local assets of these cities such as pre-accumulated capital and non-unionised flexible labour regimes were the reasons behind such an economic boom. The ideal of national development was dismantled in practice but it perpetuated in state policies:

PAD was co-opted into the new subsidy program and a huge developmental project, GAP, was given start in the 1980s.

The initial steps of the new spatio-temporality based on a ‘glocal developmentalism’ rather than a national one, I argued, were the introduction of municipality reforms and Free Zones in the 1980s. Municipality reforms radically altered the existing dynamics between localities and the central government and reduced the centrality of the latter. The urban was redefined not only within the liberal economy as a new scale of capital accumulation but also within political and ideological struggles. Free Zones were the first spatial experiment of the Turkish state: the creation of exceptionally encoded territorialities that were constituted on the basis of the replacement of national administrative and legal arrangements by a wide array of state special subsidies for industrial and commercial activities. These elementary steps gained a further impetus with the JDP government in 2002 elections. First major step was the reinvention of housing sector in Turkey and the restructuring of MHA as a multiscale agent. Gradually, the MHA became the most powerful real estate developer in the country, the sole agency to regulate the zoning and sale of almost all state-owned urban land.

The last steps were the restructuring of the subsidy program in 2012, which used to be one of the main instruments of the state in channelling the private sector’s investments and the recalibration of Free Zones. The new graduated subsidy program dismantled the PAD and the ideal of the national development even at the policy level. With this new subsidy program and the new generation free zones, which are still under revision and expected to be in effect in 2013, a new fragmented economy, which is defined on the basis of individual assessment of each locality on the basis of its economic potentials and which is characterized by a “zero-sum-game” between localities is being now led by the state.

The multifaceted temporality and spatiality of the ISI era became a breeding ground for the emergence of two counter movements in Turkey. The tension between big capitalists based in metropolitan cities and small-scale industrialists in Anatolian cities provided the background of the rise of political Islam and its “moderation” and “rationalization” in close contact with the increasing neoliberalization of Turkish economy. The explicit adoption of industrialization as a state strategy resulted in the emergence of a strong segment of local industrialists in the Anatolian cities. These

industrialists were at the center of the political agenda of political Islam starting from the 1970s. Organized along MUSIAD and many other Islamic networks and communities, these industrialists became the pillars of the neoliberal Turkey and the carriers of the pro-Islamic Justice and Development Party to the power in 2002.

On the other hand, the “two nations hegemony” of the ISI, which explicitly excluded the Kurds given the widening economic disparities between the western parts and eastern parts of the country created a solid basis for the Kurdish movement to evolve itself into a “counter-hegemonic” project encompassing a wide range of signifiers varying from Kurdishness as a distinct ethnic identity to resistance against imperialism and colonialism and fight against the dispossession that they created, which could appeal to masses in the eastern provinces. The explicit exclusion of the Kurds during the ISI combined with the state violence in its most atrocious forms in the southeast Anatolia after the military coup in 1980 and during the Emergency Rule in the 1990s. The roll-back neoliberalism combined with the Emergency Rule in the 1990s eternally severed a great number of Kurds from the Turkish state and the rest of the country by sealing the faith of the further developmentalist projects such as GAP. The next chapter will be devoted to the discussion of these two counter-hegemonic projects.



### 3. Political Actors of the Neoliberal Turkey: Jumping Scales?

The transition period to a liberal economy after 1980 in Turkey is a complicated process. It is not only marked by economic restructuring and a new economic topography characterized by the gated industrialization and the increasing interlocal competition as I have sketched in the previous pages but it also incorporates the outbreak of the civil war in Southeast Anatolia (between PKK and Turkish state) and the emergence of the Kurdish political movement, which constituted a radical challenge to the main premises of Turkish politics, namely the unquestioned and absolute notion of Turkishness. Kurdish national movement has a long history; many scholars consider the end of the 19<sup>th</sup> century, and the Sheikh Ubaydallah rebellions in 1879-81 against the Ottoman Empire as the emergence of a genuine Kurdish movement. Kurdish rebellions continued after the foundation of the Republic, between 1921 and 1938; many Kurdish oppositional groups rebelled against the newly formed Republic and were repressed brutally by the central government. It was in 1978 with the foundation of *Partiya Karkeren Kurdistan* (PKK) and under the leadership of Abdullah Ocalan, that the Kurdish movement could secure a counter-hegemonic political resistance, backed up with an armed resistance against the Turkish army for more than thirty years. Mainly mobilizing the countryside and the Kurdish peasants in Kurdistan, PKK expanded from a political movement, which used to be confined to intellectual circles in cities to a mass movement crosscutting social classes. The capture and imprisonment of their leader, Abdullah Ocalan, in 1999 constitutes a significant moment as it led to radical restructuring and rescaling of the Kurdish movement's organizational structure through the idea of "democratic confederalism".

This bottom-up mobilization of Kurdish movement evolved in tandem with the rise of political Islam; its emergence in the political scene as a leading political actor and the reconfiguration of class structure in Turkey – that is the upward mobility of Islamic capital and intellectual circles. Compared to the oppositional stance of the Kurdish movement and the PKK against the Turkish state, it is not appropriate to situate political Islam as a radical movement targeting the state *per se*. For instance, Gulen movement, which is believed to be one of the most influential Islamic communities, always had had a symbiotic relationship with the state and military. Although Gülen

himself has expressed his thoughts in a more liberal fashion by including criticisms against certain policies of the Turkish state in his speeches, the ambivalent position of the movement regarding not only the oppressive state policies directed against Kurdish populations and Kurdish politicians but also the military coup in 1997 remain a matter of criticism (Hale and Özbudun, 2010). Gülen movement, taken as one of the architects of the success of JDP in 2001, should rather be taken as a hybrid communitarian movement rooted in Turko-Islamic tradition (Yavuz, 2003: 30). Moreover, as will be discussed in the following pages, Islamic parties in Turkey starting with the 1970s sought and succeeded in attracting the support of Anatolian capital, which felt discriminated in the face of the secularist project of the national bourgeoisie of the Kemalist regimes, the foundational regime of the Republic. Starting from the 1970s, political pro-Islamic parties made use of the growing gap between the metropolis-based capitalists and the Anatolian capitalists, justifying their presence in Turkish politics through translating the demands of the latter into their party program. The radicalist segment within the movement, which became extremely visible during the 1990s and constituted a significant challenge to the foundations of the state, was successively absorbed by the capitalist transformation. A “passive revolution” (Tugal, 2009) allowed the ascendance of the JDP into the power.

It is mainly these two movements and their challenging of the Turkish state while they “jumped scale” or “reached the global” that have put its mark in the neoliberal experience in Turkey. As one of the historical accounts on the dissolution of the Ottoman Empire reveals

Mustafa Kemal and other members of the Ottoman bureaucratic bourgeoisie formed the new Turkish national bourgeoisie around the clearly defined social parameters of Westernism, secularism, and nationalism (...) the new dominant class, by its premises, also created and excluded from power two significant segments of the population, those who still identified strongly with Islam and those who belonged to other ethnic groups, such as the Kurds. It is therefore not surprising that in contemporary Turkey, the two significant challenges to the Turkish national bourgeoisie coalesce around the Islamist and Kurdish movements, both of which attempt to generate an Islamist and Kurdish bourgeoisie in opposition to the dominant nationalist one. (Gocek, 1996: 141).

The author argues that the project for the creation of a national bourgeoisie by the Republican elites along the lines of Westernism, secularism and Turkish nationalism

created ‘an unintended consequence’ (Gocek, 1996: 141) for the Turkish Republic, their comeback in the liberal Turkey, both as economic and political subjects which challenged and overthrew the Kemalist ideology in different ways. This chapter is about this unintended consequence, and the ways in which it is tied to the downscaling of statehood and the shifts in the spatio-temporality of the Turkish Republic.

### ***3.1 Political Islam: From Radicalism to Entrepreneurialism***

In the early 1960s, Sheikh Mehmet Nakıboğlu who owned a small store in the city of Gaziantep decided to send his eldest son, Cahit Nakıboğlu, to Istanbul for his high school education. In Istanbul, after school Cahit Nakıboğlu started to spend his afternoons in *Tahtakale* district in order to provide stuff for his father’s small store in Gaziantep. In the late 1970s, upon his father’s request Cahit Nakıboğlu returned to his hometown. He could not continue his education, but he was trained in “Tahtakale University,” as he defines it, where he gathered all necessary information, which allowed him to build his giant company. With the idea of investing in plastic production, he convinced his father to set up Naksan Plastic Company in 1979. Throughout the years, Naksan Plastic became the biggest manufacturer in the Middle East, ranking third in whole Europe. The plastic bags of international names such as Financial Times, Laura Ashley or Tesco carry the signature of Naksan. The firm has the first place among the Association of Flexible Packaging Manufacturers with its production capacity of 200.000 tons per year and 2000 employees. Throughout the years, Naksan Plastic expanded its scope of production to woven canvas, big bag fabrics, PVC coated Polyester Canvas, and finally carpet production. This significant economic breakthrough was accompanied with the company’s growing influence in local economy. Today, Cahit Nakıboğlu is the president of the managerial board of Industrial Districts of Gaziantep, a position of great significance and prestige in the local business circles. Cahit Nakıboğlu was the first candidate that could be elected without the support of the Chamber of Industry in Gaziantep (Bayırbağ, 2009: 15). Naksan Holding is known to have close contacts with the Gulen community (Ozcan, 2000), and Osman Nakıboğlu, the eldest son of Cahit Nakıboğlu, has been an active and founder member of MÜSİAD-Gaziantep (which was founded in 1994 and rapidly increased its weight in local business circles). While in the mid 1990s, the firm exported its products solely to Turkic Republics such as Uzbekistan and Turkmenistan

where Gulen movement and its schools were extremely powerful in the 1990s; today NAKSAN has a wide range of export countries, varying from USA to Middle East countries.

The success story of Naksan Holding, which is now trying to get institutionalized by creating a family constitution following the steps of the big family firms in Europe, is not alien to the people living in Gaziantep. In the last decade, a growing number of firms, mostly in close contacts with religious communities (such as Gulen community) or Islamic business institutions such as MUSIAD, have become to dominate the economic scene in the city. The recent success of NAKSAN is also emblematic of the general course of change that the Islamists in Turkey are going through. As already mentioned in the previous chapter, the revival of Anatolian capital is mostly characterized by the growing Islamic networks in the form of Islamic communities or businessmen associations. Rationalization and partial secularization or to put it differently the moderation of Islam is the result of not only contingent political struggles and the reconstitution of a hegemonic bloc of multiclass coalition (Tugal, 2009) but also the processes of state rescaling which necessitated these new actors of the neoliberal Turkey to harmonize their worldviews with ‘global’ in order to ‘jump scale’ and increase their sphere of influence.

Political Islam has a long history in Turkey. It is mainly argued that Islam has always offered significant appeal to the groups over whom Kemalist bureaucrats have cast a long shadow by questioning their cultural suitability for “western” modernity.<sup>36</sup> Yet, it was after the 1980 military coup that Islam and Islamic communities started to pose a real ‘threat’ to the Kemalist state through a “war of position” by using the means and the opportunities of the neoliberal restructuring. For instance, Hakan Yavuz (2003) argues that the current Islamic identity is not a revival of traditional religious loyalties but it is rather constructed in relation to neoliberal economic politics. Economic liberalization along with the expansion of education and urbanization has led to the emergence of new spaces where identities can be transformed and contested.

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<sup>36</sup> These groups include capitalists from smaller Anatolian cities, some large firms established in Istanbul, highly educated Muslim professionals from modest Anatolian families, and the urban poor and the marginalized (Atasoy 2009: 108).

### 3.1.1 National Outlook Movement: Bringing Together the Haves and Have-Nots of the Liberal Turkey

The National Outlook movement (Milli Görüş Hareketi), which was born in the late 1960s and institutionalized under the political parties MNP and MSP (see Box 2 in Appendix 1.5), was based on a sharp dichotomy between the western civilization (including the institutional actors that represented the West such as EU and NATO) and the Islamic civilization. During the 1970s, the movement was transformed under the leadership of Necmettin Erbakan, and incorporated a strong economic front advocating heavy industrialization and national economic growth, which later was colored with a more egalitarian discourse under the label “Just Order”. Mainly supported by small Anatolian merchants and business people, in the 1970s National Outlook ideology and its political parties had their electoral base in east and southeast parts of the country, with very few successes in the western parts of Turkey.<sup>37</sup> Erbakan’s election to the presidency of Union of Chambers (TOBB) in 1967, an umbrella organization at the national scale, which coordinates the local Chambers of Commerce and Industry, was a surprise for the central government as well as the metropolis-based big capitalists. The success was due to the past posts of Erbakan in TOBB as a secretary general of the Union. During his secretarial post Erbakan had developed extensive contacts and networks across Anatolia, especially with the owners of the medium-sized industrial firms (Barkey, 1990: 131) and was successful in mobilizing Anatolian merchants who felt alienated by the Istanbul-based capitalists and their institutions. In this sense, the reaction against the established prominence of big business owners in Turkish economy remained an integral component of the anti-Kemalist and critical stance by the National Outlook ideology and its political parties from the beginning (Buğra, 1998a: 526).

In the 1980s and 1990s, the social base of National Outlook ideology (under RP – Welfare Party) shifted to not only Western parts of the country but also to urban low-income districts (Hale and Özbudun, 2010). This led to an ideological shift in the party’s program: the resignation from the aim of national development through high industrialization and its replacement with the ‘Just Order’, an impracticable economic program that appeals to workers’ rights and social justice in the form of full

<sup>37</sup> In the 1970s, MSP was quite strong in Southeast Turkey with Urfa 43%, Maras 41%, Malatya 31%, and Diyarbakir 19%.

employment.<sup>38</sup> Such a shift to an ambivalent economic agenda partly explains the success of WP – WP’s votes rose from 8 % in 1987 to 16% in 1991. The new economic program of the party, namely “Just Order”, which was based on a strong presence of the state as a regulator for the “moral economy” of the society, received harsh criticisms and attacks from the party’s business wing. In response, a few years later WP needed to revise the ‘Just Order’ with a pro-private tone, by reducing the tasks of the state and the criticisms of labor exploitation and articulating the party’s claim to a “moral economy” in even a more ambivalent way. This time it was argued that there would be no strikes or lockouts under the ‘just’ Islamic order since people would not need them anymore. In the meanwhile, the business wing of the party, which was trying to increase its economic power and gain legitimacy in the eyes of the metropolis-based capitalists dealt savagely with strikers and even declared trade unions un-Islamic (Tugal, 2009). Yet, the party appealed to broad masses during these decades:

In the 1980s and 1990s, the party... ambivalently and implicitly alluded to both Islamic traditions and modern social justice struggles with its new name, the *Refah Partisi* (Welfare Party / RP). (Refah means prosperity or welfare.) Those who wanted to see Islam in the party read this word as a part of traditional Islamic vocabulary. Those who wanted to see in the party the promise of a new world— an exploding class of informal workers and many converts from the Left—saw an insinuation of the welfare state in this new name. While for some the party’s new platform (the Just Order) signified radical redistribution, for others it was a metaphor for Islamic law. While the party said it would develop a market economy, it also promised market regulation, redistribution, unionization, and the eradication of poverty. (Tugal, 2009: 5)

With such a broad ideological appeal to the urban masses who felt alienated under liberal Turkey, in 1995 elections WP won the majority of the votes, and Erbakan became the prime minister of Turkey. On the parts of business circles, the growing importance of MÜSİAD and the increasing influence of Gülen network gave a further

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<sup>38</sup> As a contradictory and ambivalent term, the ‘Just Order’ is based on the argument that Islam offers the most excellent economic system because while it contains the best sides of capitalism and communism, it avoids their wrong and harmful aspects. The Just Order rests on two basic principles: (1) the absolute harmony of economic interests among Muslims and (2) the state's duty to manage the economy. Conflicts among Muslims result from the *imperialism* of the Western powers. Once the Just Economic Order comes into existence, however, all segments of the economy, guided and supervised by the state, will cooperate for the common benefit of the society. Consumption is seen as related to individual production, and consumers are allowed to consume as much as their contribution to the production. Economic activities are under the control of the consent of local moral committees, which are staffed by state-approved members. Individuals lacking records to establish their moral credentials cannot conduct large-scale economic activities. Erbakan (1991) cited in Tugal (2009).

impetus to the visibility of Islam in the social scene. Plus, a new layer of middle class Muslim professionals (ex-radicals or graduates of *Imam Hatip* schools who went into business) who are more sympathetic to pro-business policies was already emerging. In the face of all these, in 1997, two years after the national elections, the military made a public statement and forced the existing coalition of WP (with a conservative liberal party DYP) to dissolve. WP and the party's president Erbakan were banned from politics. Interestingly, the military intervention "postmodern coup" of 1997<sup>39</sup>, known as the 28 February events, created a contradictory outcome: the military intervention showed the Islamic intellectuals and politicians that challenging the secular state is a dead end street, which will result in banning of political parties and actors. Ali Bulaç, a famous Islamic journalist, puts it this way: since 1997 'the events that turned many people's life into a nightmare led the people see EU as a savoir' (cited in Hale and Özbudun, 2010: 28). This meant the beginning of a new fault line emerging in the Islamic movement: EU acquired a new meaning and a significant importance for the Islamic movement in Turkey. The disappointment due to the banning of WP and Erbakan from politics aggravated the dissolution between the modernists and traditionalists within the WP's political cadres leading to a new party, known as JDP. Recep Tayyip Erdoğan from WP cadres<sup>40</sup> was elected as new party's leader. In 2002 elections, few months after its foundation, JDP won 34% of the votes and was entrusted to form the government alone. JDP, as a pro-state and pro-market political party – contrary to WP, VP or FP – do not constitute a radical rupture with the already established relations between state and business circles. The party's strong

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<sup>39</sup> In its 28 February Meeting, the military dominated National Security Council's (MGK) Decision Number 406 made 18 recommendations to protect the secular regime against the "dark forces" the destruction of their "nests". These recommendations thematically included: (1) greater state control over private dormitories foundations and schools associated with Islamic groups, (2) the implementation of an 8-year interrupted educational system (3) media groups that oppose the Turkish armed forces based on their fundamentalist activities must be controlled (for the whole list see Günay 2001). 28 February decision marks the beginning of an official anti-islamic campaign initiated and executed by military and judiciary. Chief of Staff General Hüseyin Kıvrıkoğlu launched this campaign by saying that "February 28 is a process [...] that will last a thousand years if necessary" (quoted in Günay 2001: 2 cited in Atasoy, 2009: 89).

<sup>40</sup> In the 1990s, Erdoğan was the chairman of RP Istanbul organizations and he also was elected as the mayor of Istanbul. In the 1990s, he was known for his harsh criticisms of the Turkish state and secularism. "My reference is to Islam", "democracy is not an aim but a means" incited anger and fear among the secularist camp in the country. In 1998, He was given a ten-month prison sentence (of which he served six months) for reciting a poem written by Ziya Gökalp in Siirt in December 1997. With reference to the article 312/2 of the Turkish penal code, this act was regarded as an incitement to religious or racial hatred. It included verses translated as "The mosques are our barracks, the domes our helmets, the minarets our bayonets and the faithful our soldiers...." He was convicted and he completed his sentence on 24 July 1999.

commitment to IMF program not only provided a rapid economic recovery from the infamous 2001 crisis<sup>41</sup> but also enhanced the alliance between the party and the Anatolian and Istanbul-based capital. Capitalizing on the failures of the conventional parties of the center-right and center-left in achieving sustainable growth before and after the 2001 crisis, JDP emerged as a novel and progressive force that could tune Turkish economy into the economic globalization.

JDP succeeded in reversing the electoral misfortune of its predecessors through the constitution of a broad-based interclass alliance. This alliance, as Öniş argues, embraces the more dynamic and prosperous segments of society that have material benefits from the globalization process as well as the more disadvantaged and underprivileged sections of society in rural areas or the margins of urban spaces. In his view, the growing Islamic bourgeois class and its increasing importance in this alliance explains why political Islam under the umbrella of JDP took a more moderate and centrist direction (2006: 211-2). Similarly, Tugal (2009) argues that JDP marks to the constitution of a new ‘hegemonic bloc’ consisting of an alliance between not only bourgeois segments in the society (MÜSİAD and the newly emerging Anatolian capitalists) and the state but also Islamic intellectuals and new pious middle classes who went through an upward mobility during WP government. This new bloc’s success does not lie in the Islamization of society in general or the center right in particular, it is made possible rather through the absorption of radical Islamist groups in Turkey by the JDP, in other words their upward mobility and becoming the new middle classes of Turkey.

### **3.1.2 The Symbolic Class of Islamic Movement and the New Bourgeoisie of Turkey**

JDP defines itself as a conservative democratic political party of the ‘societal centre,’ which symbolizes the political mobilization of newly emerged Anatolian capitalists, small producers as well as intellectuals and politicians from mainstream political

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<sup>41</sup> 2001 crisis is accepted to be one of the deepest crises that Turkey has experienced in its recent history. It had quite negative repercussions on all segments of Turkish society. It also had a devastating effect on the electoral fortunes of the center-right and –left parties in Turkey. None of the members of the ruling coalition government (DSP, MHP and MP) in 2000 could pass the 10 per cent threshold in November 2002 elections. The crisis also provided the necessary ground of justification and pressure on the parts of IMF by breaking down resistance in domestic circles. For the consequences of 2001 crisis see Onis and Rubin (2003).



parties (Atasoy: 2009).<sup>42</sup> As Hakan Yavuz (2006: 15) argues, the prime agent of the “silent revolution” in Turkey in the last decade is the new Anatolian business class, which evolved out of the neoliberal economic reforms in the 1980s. This new bourgeoisie, organized around Nurcu or Naksibendi groups<sup>43</sup>, is against “superstitious beliefs and favor a rational understanding of faith”. Gülen movement, the most influential Nurcu “textual-community”, which emerged as one of the central figures of the Islamic movement in Turkey constitutes a personification for the ‘worldliness’ and the negotiation of Islamic values with the market rules. As Yavuz (2003: 187) argues:

Gülen and those who follow him measure their spiritual success... in terms of the worldly consequences of their actions. Believing that Gülen was trying to revive the Islamic faith and civilization under the leadership of Anatolian Turks, this newly urbanized group of intellectuals and merchants went into action to translate their worldly success into heavenly mission.

Whereas economic and social goals are manifested as a search for identity and justice, they are projected onto a spiritual quest to fulfill the will of God. Having defined the Gülen movement as the “Turkish Puritans”, Yavuz rather argues that Fethullah Gülen, the charismatic leader of the movement, used Said Nursi’s ideas for the promotion of a global, nationalist and a free-market orientation.<sup>44</sup> Gülen who developed close ties with Turgut Özal, the prime minister in 1980s, first developed an intense media

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<sup>42</sup> Former secretary general of the CHP, Ertuğrul Günay and DSP founding member Haluk Özdalga are the known examples.

<sup>43</sup> The relations between religious groups (*cemaat*) and political parties are quite complicated in the sense that it is not appropriate to situate political Islam as a radical movement targeting the state *per se*. As a result of economic expansion, Islamic groups became divided along class cleavages. Those who have benefited, such as Naksibendi or Nurcu groups, were united around the center right parties (such as MP or DYP) whereas those who took the toll of post-1980 policies tended to support the WP of Erbakan. The former group favored economic liberalization as well as a cultural and ethnical notion of Islam as opposed to a more radical and overt support of political Islam. The latter, on the other hand, supported WP, which they saw as a political party that allows social mobility through Islam as well as stress ‘a platform of social justice and economic redistribution by the state’ (Yavuz, 2003: 90). Another source of JDP power was its embrace of two important religious networks: the *Naksibendi* order, an influential religious brotherhood with a strongly conservative ethos and a large membership, and the followers of Fethullah Gülen (Öktem, 2011).

<sup>44</sup> Gülen movement always had had a symbiotic relationship with the state and military. Fethullah Gülen believes that the Islamic aspect of Turkish culture has been highlighted at a growing speed after the military coup in 1980. He not only avoids any confrontation with the state and the military but also builds his vision of the future Turkey on the basis of the precepts of the junta government: a synthesis of the Islamic and Turkish national state traditions (Yavuz, 2003: 27).

network<sup>45</sup>, then an educational network, which consists of three hundred schools and seven universities in Turkey and other countries.<sup>46</sup> This education movement along with the media network strengthened Gülen movement in Central Asia, Balkans and Turkey. The educational institutions have close ties with pious business circles: many businessmen provide financial support for Gülen schools whereas for small businesses the schools provide the necessary cultural and social capital for upward mobility. The transformation of Gülen movement from a national (Turkish) religious movement to a transnational education movement in the 1990s perfectly matched the attempts of an economic agent, MÜSİAD, to legitimize its presence as an influential economic agent in Turkey and in the Middle East.

The emergence of MÜSİAD (see Box 3 in Appendix 1.6) in the 1990s came at a time when the Islamist Welfare Party (WP) strongly challenged the Republican parties and the legacy of the Republican past and political tradition. Following the electoral victories of WP, first in the municipal elections in 1994, and then at the national scale in 1995, MÜSİAD emerged as a visible and influential actor in the economic scene and as a challenge to the existing socio-political system in Turkey on the basis of both its cultural and economic inviability (Buğra, 1998a: 528). As already noted by a number of authors, the feeling of exclusion from the economic life controlled by big business community in alliance with the secularist state created certain elements of a minority psychology (Buğra, 1998a) or a feeling of resentment (Atasoy, 2009) on the parts of Anatolian capitalists.<sup>47</sup>

The rediscovery of Islam in the light of capitalist premises (clearly visible in JDP and Gülen Movement case) continued along the MÜSİAD case. References to Muhammad's personal life and professional career as a merchant is given special emphasis while Medina Market becomes a recurring motif and a point of reference in

<sup>45</sup> Zaman, Sızıntı, Ekoloji, Yeni Ümit, Aksiyon, The Fountain as print media, Samanyolu TV and Burç FM as broadcasting were quite influential in developing the strong networks of the Gülen movement in the 1990s.

<sup>46</sup> Although the total number is not known, Gülen movement is believed to have six schools in USA and Mexico, 37 schools in 27 African states such as South Africa, Kenya, Morocco, 15 schools in Australia, Indonesia and Philippines, 29, 13, 12, 20 schools in Kazakhstan, Tajikistan, Kirgizstan and Turkmenistan respectively, 44 schools in Europe, 40 schools in Asian countries along with language schools, education centers and cultural centers all around the world. The movement also has universities in Kazakhstan, Kirgizstan, Turkmenistan, Georgia and Azerbaijan. For a list see, Ergil, 2010.

<sup>47</sup> The foundation of MÜSİAD is narrated in relation to an episode from 1990s when a group of Muslim businessmen were not allowed to participate in a meeting organized in the former Soviet Union by DEİK (The Association of Foreign Economic Relations). (Buğra, 1998a).

articles, speeches to point to the “necessity of Islamic solidarity to change the current global situation characterized by the poverty and backwardness of Muslim nations” (Buğra, 1998a: 531). More importantly, the axis of international trade has shifted with the discovery of parts of the world other than Europe and US and various paths of capitalism.<sup>48</sup>

Buğra argues that Islam had been an asset from the 1980s for business circles in binding “the bearers of interest” given the shift from Fordist mass production to flexible specialization, the growing significance of SMEs and flexible production, and the emerging East Asian economies (Buğra, 1998a: 534). With its adoption of East Asian model with a rival strategy in which Islam is used as a resource to bind the businessmen, MÜSİAD is better situated in the exigencies of the post-Fordist era compared to its rival TÜSİAD, which adopts a more formal model, that is the European model (Buğra, 1998a: 523). TÜSİAD, which was created and then highly protected by an interventionist state, represents the interests of metropol-based big capitalists and could not easily fit into the transformation of statehood within Turkey. The opportunities of the 1980 economic restructuring accompanied with the increasing strength of socio-cultural networks, mostly based on Islamic premises, provided MÜSİAD with the necessary conditions to become one of fastest growing associations in Turkey. The members of MÜSİAD are members of overlapping cultural networks, which are based on interpersonal trust and Islamic bonds. In this sense, they help to create new channels of communication for collaborating and sharing business information. Charitable associations with a religious social dimension that offer educational services, operate television and radio stations, and staff health clinics, carved out a larger space for voluntary activism and the “externalization of Islamic identity” (Yavuz, 2003: 94-96).

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<sup>48</sup> Here, two points deserve particular attention. First, East Asia and ASEAN countries acquired an additional significance. Two Muslim countries of the ASEAN, Malaysia and Indonesia became not only models to follow but also bridges between Turkey and the more advanced economies of East Asia (Buğra, 1998a: 531). Second, the foreign policy of JDP (zero conflict foreign policy), which highlights the intensifying economic and cultural relations with the neighbor countries, consolidated Turkey’s own place as an economic power in the Middle East (see Chapter 7 for a discussion of the Iraqi market).

### 3.1.3 Municipality Reforms and the Creation of “Dual Powers”

The increasing appeal of political Islam for various classes was accompanied with a new form of localism challenging that of top-down state-society relations – the creation of “dual power zones” through municipalities and charity organizations. The shrinking in the social policy, education, and health care allowed the Islamic groups to move into these spheres with financial means, and organizational experience.<sup>49</sup> One of the first policy decrees of the Ozal government, on December 16, 1983, provided legal grounds for charitable donations to be used for religious purposes. (Yavuz, 2003: 89). This created a room for maneuver for the bottom-up mobilization of political Islam, a rescaled delivery of “social services” channeled through the charity organizations and the hierarchical and disciplined local organization of the WP. As Tugal (2009) argues, the Islamic challenge in Turkey developed itself through forging alternative authority structures and figures. Based on his fieldwork in Sultanbeyli, Tugal concludes that in such squatter localities the WP built a dual power structure by distributing land, organizing rites of passage, and informally reinforcing religious law. In other places, the “dual power” unfolded through interventions into the realm of consumption.

The interventions mainly targeted the realm of consumption, and [they] involved provision of the 'public bread' below the market price, regulatory foodstuff sale, mobile coal sale, provision of free meals and fuel for the poor have been significant examples. Plus, recreative services like entertainment and sport facilities/activities, public parks, etc ... have also played an important role in the municipal practice of the WP. (Bayırbag, 2009)

The devoted and highly disciplined army of party militants worked as the “informal arm” of the local state institutions for the delivery of social services, they also served to the bottom-up mobilization to attract “potential voters.” Based on his fieldwork in Sultanbeyli, Tugal (2006: 265) argues that the Islamic challenge borrowed ideological themes and mobilization tactics from the leftists

mobilization strategies of the party are neither completely religious (characterized by worship, belief, and faith) nor exclusively “Islamic” (in the sense of having premises only in Islamic history). They are partially

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<sup>49</sup> On the other hand, the legalization of private enterprise in many spheres of cultural production such as TV broadcasting and the growing number of publishing houses has opened the way to the constitution of an Islamic identity.

borrowed from the strategies of the revolutionary Left, attesting to the willingness of Islamists to learn from their contenders. Yet, the activists of the party have made this strategy of mass militancy their own by injecting religious and familial patterns into it. Particularly interesting is the combination of door-to-door propaganda with what has been one of the basic practices of Islam for centuries: sohbet, or religious talks in informal settings, preceded and followed by communal prayer.

The success of Justice and Development Party's success also lied at this highly hierarchical and disciplined local network of devotees. After the military intervention in 1997 and the banning of Erbakan and WP, the reformists who were once in the local organizational cadres of WP founded JDP, and made ample use of the local organizational scheme of WP after the 2002 elections. For instance, the leader of the JDP, Erdoğan, was the chair of the youth branch of the pro-Islamic party MSP in the late 1970s, and then he worked actively in the local branches of WP during the 1980s. In the local elections of 27 March 1994 when WP swept the majority of Metropolitan municipalities, Erdogan was elected the Metropolitan Mayor of Istanbul. However, JDP construed its basis of legitimacy not only on the tradition of National Outlook, but also on the rejection of the latter. This became visible at the local scale when JDP municipalities have built their criticisms of the former local governments on the basis of populism, be it populism of right-wing party MP, Kemalist RPP or pro-Islamist WP. The ideal of "dual power zone" was replaced with a *modern, rational* and *effective* local rule, which is seen by the local municipalities of the JDP as the cure to the "inequalities temporarily caused by the market." (Tugal, 2009: 209)

### ***3.2 Kurdish Movement In Turkey: From Armed Resistance to "Contentious" Politics***

In 2005, JDP leader and prime minister Erdoğan admitted that Turkey had a "Kurdish problem" and stressed that more democracy is needed in order to solve the "grave mistakes" that Turkey has made in the past (Gunter 2008: 91 cited in Atasoy, 2009: 83). This was a surprising political move for many people in Turkey including the Kurds given the official historiography of the Turkish Republic, which is based on an ambiguous and expansionist notion of Turkishness that denies any other ethnic identity. Concrete steps by the government followed these statements. In 2005, state sponsored TV channel TRT, started "public broadcasting in mother tongues other than Turkish", including broadcasting in Kurdish for a half-hour each day. In 2008, a channel broadcasting solely in Kurdish (*TRT 6*) was founded. As Erdoğan argued

“...[Turkish people] do not need to be afraid of [their] diversity.” As a hegemonic political party, which distances itself from Kemalist nationalism and challenges the latter harshly due to the exclusionary policies directed against political Islam and radical Muslim groups, JDP has a conception of nation in which religious identity is the binding element between various ethnic groups (Bruinessen, 2009).

There are many factors, which determined such a shift in the government’s policies regarding the Kurdish question. Chief among these is the EU-oriented policies of the JDP in the early 2000s. The Kurdish issue, as argued by many authors, is now a European question stemming from an active Diaspora in Europe, which provided a political visibility to the Kurdish question and allowed local Kurdish actors to increase their sphere of influence and communicate with actors and institutions from various scales. Since the late 1980s, human rights violations in the Kurdish region, which was seen as a symptom of the failed democratic project, have been among the most important criterion for EU in assessing the status of the candidacy of the Turkish state.<sup>50</sup> As a fervent defender of EU, JDP adopted a series of reforms between 2002 and 2004, which resulted in the decision of European Council to declare that accession negotiations are re-opened.<sup>51</sup> Yet, the membership of Cyprus in EU as a divided island and the increasing skepticism of Germany, France and Netherlands with regard to the membership of Turkey led to stagnation in not only accession discussions but also the EU reform agenda of JDP regarding the cultural and minority rights.

Another reason behind such a shift is the Islamic notion of nationhood held by JDP, which inevitably brings the ideal of incorporating the Kurdish populations into its

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<sup>50</sup> For example, in 1989, responding to Turkey’s application for full membership, the Commission referred to the Kurdish issue, and rejected to start the accession negotiations. In 1998, in its very first progress report on Turkey’s membership, the European Commission called the Turkish government for ‘a civil and not a military solution’ regarding the Kurdish question. Following 1998, European Union became more engaged in monitoring the Kurdish issue as the Commission’s progression reports addressed the latter from different angles such as human rights, civil and political rights, economic, social and cultural rights as well as minority rights (Cengiz and Hoffmann, 2012).

<sup>51</sup> Significant reforms adopted by the first AKP government regarding the Kurdish question include: (1) the lifting of the emergency rule in all provinces; (2) the retrial and the release of imprisoned Kurdish parliamentarians Zana, Sadak, Dicle and Doğan; (3) the complete abolishment of the State Security Courts; (4) amendments to the Civil Registry Law to allow parents to name their children as they desire; (5) constitutional amendments to reflect the primacy of international law over national law, including the European Convention on Human Rights; (6) further amendments in secondary legislation that resulted in the start of public TV broadcasting in the Zaza and Kırmançi dialects of Kurdish (Cengiz and Hoffmann, 2012).

hegemonic project and extending the “passive revolution,” which swallowed up its own Islamic extremists in the 2000s. This ideal became evident after the 2007 general elections when JDP won most of the cities in southeast region. Even in the city of Diyarbakır, which is accepted to be the informal capital of Kurds, JDP’s share increased significantly, from 15% in 2002 to %40 in 2007. The election results were also a shock for the pro-Kurdish party DTP. The rivalry between two parties peaked when Prime Minister Erdoğan harshly criticized DTP municipalities, specifically the mayor of Diyarbakır, Osman Baydemir, and stated that the cities in the southeast Turkey deserve “the effective service of JDP municipalities.” This statement by the JDP created an outrage in the city of Diyarbakır, and received harsh criticisms on the parts of DTP cadres. The mayor of Diyarbakır, Osman Baydemir, replied back saying that “Diyarbakır is our castle; we will not give it up.” And he openly challenged Erdoğan: “Prime Minister and his ministers are discriminating against Diyarbakır. If they want to challenge us by declaring war to DTP, we dare their challenge.” (Mavioglu, 2007) The castle analogy was frequently used by DTP during its election campaign.<sup>52</sup> The 2009 local election was the comeback of DTP, the party won 96 mayoral seats in 8 provinces, doubling its votes in many cities. For Ahmet Turk, a deputy of DTP, “29 March [local elections] proved that Kurdish question cannot be solved without the Kurdish people and Kurdish politicians”. (Cubukcu, 2009)

Kurdish national movement has a long history; many scholars consider the end of the 19<sup>th</sup> century, and the Sheikh Ubaydallah rebellions in 1879-81 against the Ottoman Empire as the emergence of a genuine Kurdish movement. Repressed by the Ottoman state, Ubaydallah rebellion triggered a series of organizational attempts to demarcate the boundaries of the Kurdish identity, a series of organizations mushroomed in Istanbul, which later actively supported successive Kurdish rebellions in Anatolia.<sup>53</sup>

<sup>52</sup> The castle analogy also refers to Mehdi Zana who was the first pro-Kurdish mayor of the city elected as an independent candidate in 1977. Kurdish politicians were always affiliated with mainstream parties before and after Mehdi Zana’s mayoralty until the end of 1990s. In his 1977 election campaign, Zana promised the people of Diyarbakır to turn the municipality into a patriotic castle: “Friends, I declare myself a candidate of Kurdish patriotism... I want to use this municipality for the benefit of patriots and to turn the municipality into a patriotic castle. (Mehdi Zana, Bekle Diyarbakır cited in Watts, 2010: 26)

<sup>53</sup> The end of the Ottoman Empire witnessed the birth of many Kurdish organizations such as the Kurdistan Taali ve Terakki Cemiyeti (KTTC – Society for the Rise and Progress of Kurdistan) founded in 1909, Hevi-Kurt Cemiyeti (HKC – Kurdish Hope Society) in 1912, and Kurdistan Taali Cemiyeti (KTC – ) in 1918. All these organizations were Istanbul-based and the two former consisted of small elite groups of Kurdish aristocrats that lacked “any real contact” with the vast Kurdish populations in the Ottoman Empire (White, 2000: 66). KTC established various diplomatic relations with Britain and

The Dersim Rebellions in 1937-8 and their brutal repression by the Turkish government giving a casualty of 40.000 Dersimlis sealed the era of rebellions for a long period. The political motives behind the early rebellions were mainly the demand for greater autonomy and return to a minimalist state-society relation, which can be described as an “indirect rule” by the state on the Kurdish populations (Hechter et al., 2009). Today, the pro-Kurdish party, DTP is rather a challenger force against the state and the political system, the actor of a “contentious” politics that aims to transform the conventional political arenas in order to “redefine the relationship between Kurdishness, political representation and sovereignty” (Watts, 2006; 2010: 17). The imprints of the present field of resistance of the Kurds were mainly made during the 1960s in a dialogue with a set of players, political parties and social movements, especially those associated with the Turkish Left.

### 3.2.1 Kurdish Movement in Turkey: Reaching the Masses

Kurdish movement during the 1960s, was an “ethnically integrated national-level collaboration between Turkish and Kurdish socialists” (Watts, 2010: 41). In the hothouse political atmosphere of the era, which was characterized by the rise of important socialist and labor movements all around Turkey ranging from social democratic to Marxist, Marxist-Leninist, and Maoist (for a discussion, see Aydinoglu, 2007), an emerging generation of Kurdish intellectuals composed of university students, unionists, teachers, artists and lawyers with politically diverse affiliations started to organize around these diverse legal and illegal organizations. As Hamit Bozarslan argues (1992: 97 cited in White, 2000)

Kurdish population (...) was both more mobile and susceptible to influences from regions to the west. Migratory movements, which were intensified by industrialization, ultra-rapid means of communication and the massive presence of Kurdish students in major city towns, together with a more heterogeneous political environment were crucial in transforming East-West relations in Turkey.

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France for an independent Kurdistan, and actively supported Kocgiri Rebellion in 1921. The Kurdish rebellions continued after the foundation of the Republic, between 1925 and 1938, many Kurdish oppositional groups rebelled against the newly formed Republic and were repressed brutally by the central government. Azadi movement, founded in 1923, gave active support to the organization of the Sheikh Said Rebellion in 1925, whereas the Ararat Rising between 1928-30 was supported by the Xoybun, which was founded in 1927 in Syria (White, 2000).



The movement was ethnically integrated as the reconstruction of Kurdish culture, its identity and language was a major preoccupation of this newly emerged “counter-elite” and it was carried to the political agenda of the Turkish leftist organizations. Workers Party of Turkey (TIP) was the most important institutional vehicle of the movement. Ziya Ekinci, Musa Anter, Kemal Burkay, Mehdi Zana who became the most important Kurdish activists in the 1970s and 1980s were active members of the party. They provided TIP with a strong local organization in the eastern cities. Gaziantep, Diyarbakır, Malatya and Elazığ offices were vibrant political hubs, attracting middle and lower-middle classes to the party. In return, Kurdish members were transmitting the Kurdish issue into the party’s agenda. TIP’s leadership became increasingly critical of Turkish governments’ policies against the Kurds. Starting from the 1964, Kurdish question was mentioned in the party’s programs. In 1970, TIP passed a resolution in its fourth congress stating that there is a Kurdish people (halk) living in the eastern part of Turkey who were the victims of “repression, terror, and police of assimilation” (Watts, 2010: 40). It is through these interactions, argues Watts (2010: 30-1) Kurdish movement gradually transformed its conception of the state-society relations by putting a claim on the state. State and public institutions became redefined as instruments for societal transformation. The aim was to transform/appropriate how the state used its material and symbolic resources. The culmination point of this perception was the East Meetings/Protests in 1967, which brought tens of thousand of people together in different cities in the eastern and southeastern Anatolia (see Box 4 in Appendix 1.7).

After the 1970s, Kurdish movement gradually became more autonomous, more radical and revolutionary in its discourse and actions. In 1969, Revolutionary Cultural Centers of the East (Devrimci Dogu Kultur Ocakları) were established as the first legal Kurdish organization by a number of Kurdish students of varying ideologies who broke free of the control of the Turkish Worker Party (TIP). DDKO was later banned by the military coup in 1971, and more than 200 people, mostly Kurdish activists from TIP, DDKO and other organizations were put in trial. The East Trials constituted a milestone in the constitution of the Kurdish national identity; the defense sheets of the trials circulated among an important number of Kurdish young intellectuals, and then published by pro-Kurdish publishing houses (Besikci, 1991:

40).<sup>54</sup> Rather than halting the rise of the Kurdish movement, East Trials had fueled it. Due to the disappointment with the Turkish left-wing parties and organizations, many Kurds left the Turkish parties and organizations of which they were members and joined the separate Kurdish organizations that mushroomed after 1975, *Özgürlük Yolu* journal (The Road to Freedom, between 1975-79) in close relations with the illegal Kurdistan Socialist Party of Turkey, the *Rizgarî* (Liberation) circle and Kurdistan National Liberators (KUK) are the most important ones. It was PKK founded in 1974 in Ankara that in less than a decade became the largest and the most influential representative of the Kurdish movement by either incorporating or driving out these diverse Kurdish organizations and that could secure a steady resistance of 30 years against the Turkish state.

PKK was officially established on 27 November 1978, in the village of Fis near the Lice district of the city of Diyarbakir. The party's program was strongly inspired by Marxism- Leninism with the ultimate aim of establishing an independent and united Kurdistan (including the parts of Kurdistan in Iran, Iraq and Syria). The party issued a founding declaration asserting that they combine class struggle with a fight against the domination of Kurdistan by foreign powers. In the founding declaration, the party defined its aims as "organizing and supervising the fight of the Kurdish movement", "liberating Kurdistan from imperialism and colonialism," "to realize the stateless society, which would be led by the dictatorship of the proletariat in a free and unified Kurdistan." "Revolutionary violence" was accepted as the only means against the "reactionary violence" by the Turkish state and the feudal landlords in the region (Kurkcu *et al*, 1988).

The PKK's armed struggle began officially on 15 August 1984 when PKK guerillas attacked military headquarters and lodgings in Eruh and Semdinli regions. Whereas Turkish state as a "colonizing power" was the main target of PKK's attacks, pro-state

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<sup>54</sup> Despite being legal texts, the charge sheets by the Turkish Court and defense sheets by the defendants consisted of argumentative claims about the existence or non-existence of the Kurdish nation. Rather than clarifying the legal grounds for the proceedings, the charge sheets of the Turkish court consisted of long passages devoted to the refutation of the existence of the Kurdish language, culture or the Kurds in general. The legal defense sheet by the DDKO was a response to these "accusations." After the short introductory passage, which dealt with the legal objections to the detentions and the trial process, 167-paged defense sheets covered the evolution of Kurdish nation starting from the 1000s until 1970s and furnished detailed discussions on the status of Kurdish language, feudalism in the Kurdish region, the present economic situation of the Kurdistan and the reasons behind economic underdevelopment of the Turkish Kurdistan. In the end, the defense sheets argued: "Kurdish nations exists in the world." (Kurkcu *et al*, 1988:2304-6).

chieftains and *agas* (feudal landlords) also had their share from the armed attacks by the PKK guerillas. The party declared its opposition to all the Turkish mainstream parties, and Kurdish “reformist nationalist” organizations accusing them of having feudal and bourgeois pro-imperialist elements. Until the early 1990s, PKK was initially more intent on eliminating any form of rival political project (those of Kurdish nationalists and Turkish leftist groups) rather than solely confronting the Turkish state (White, 2000: 148).

The fight against the “collaborators” also included the use of armed resistance against the feudal landlords. The party created “liberated areas,” in which feudal and tribal lords had lost their power and some of the villagers looked upon the PKK as their liberators (Bruinessen, 1988). The supporters of the PKK shifted from urbanized lower-middle classes and students to peasants suffering under the economic and social tyranny of feudal landlords. In 1992, Ocalan admitted that the main supporters of their struggle were the poor peasants whereas in the early 1980s “it was mostly young people in the cities, intellectuals, and the urban middle class.” The other segments were the patriotic petty bourgeoisie and bourgeoisie in the cities (Ocalan cited in White, 2000: 156). The brutal forms of repression by the Turkish army and security forces in the late 1980s and early 1990s had an overarching effect on the countryside and urban life shaping the opportunities for the PKK to become a mass movement. The expansion of the PKK towards a mass movement inevitably gave shape to the rise of civil society organizations and political parties, which work within the ideological sphere of the PKK and continue to struggle for the Kurdish cause within the Turkish parliamentary system.

### **3.2.2 The Symbolic Class of the Kurdish Movement: Reaching the Europe**

As Martin van Bruinessen argues it is a paradox that many active participants in the present Kurdish movement (especially in the case of Turkey and PKK) have long lived outside Kurdistan. The flux of Kurdish migrants and refugees to various countries in Europe since the early 1960s prepared the conditions of the emergence of an active Kurdish Diaspora, which carved out the contours of a more homogenous “Kurdish culture” through its TV channels, publications and a network of Kurdish organizations and associations across Europe. This allowed the formation of a

stronger sense of belonging among the Kurds living in Diaspora, and in Turkey by preparing the conditions for a more popular and massive adoption of Kurdish movement by the Kurds living in Turkey. In the early 1960s, a number of Kurdish students from Turkey had established various associations (such as KSSE, KOMKAR) in Europe with the aim of reaching out the Kurdish migrant workers and mobilizing them for the Kurdish cause. As Bruinessen (2000) argues many of these migrant workers

had internalized or were reluctant to challenge Turkey's official doctrine that every citizen of Turkey is a Turk. Only gradually did these immigrants in Europe "rediscover" or dare to emphasize their Kurdish identity. This process of rediscovery... owes much to the activities of Kurdish students, and later of political refugees.

The 1980s witnessed a sudden upsurge of publishing in Kurdish such as books, booklets and periodicals, which was strictly related to the flux of refugees and political migrants who escaped from the military coup in Turkey. "A whole generation of young Kurdish intellectuals and politicians... was transplanted to Europe". France, Germany, England and Sweden became home for a growing number of Kurdish political migrants and refugees who were organized around institutes and cultural centers. The Kurdish Institute of Paris is an important step in the formation of this cultural revival. Founded in 1983 by Kurdish intellectuals and the support of France's socialist government, the institute became a cultural and social center for not only the Kurdish community in Paris but also Kurds all around the world. The Kurdish Institute of Paris was followed by other Kurdish institutes in Brussels (1978), in Berlin (1994), and in Stockholm (1996). Their variations in their activities notwithstanding, all these institutes contributed to the consolidation and strengthening of Kurdish culture, plus they have set up close relations with European officials and politicians (Bruinessen, 2000), which increased their sphere of influence. Other human rights organizations or political institutions such as The Kurdish Parliament in Exile (1995), Kurdistan Human rights Project, International Association for Human Rights in Kurdistan played a major role in attracting the international public attention to the human rights violations in Turkey, Iran or Iraq. The Kurdish print media and language courses channeled through this vibrant network of institutions were later supported with MED-TV, a Kurdish speaking TV-Channel founded in London in

1995, and is now based in Denmark and broadcasting to Middle East, Western Europe and Asia.

Equally important is the Diaspora's role in creating new forms of political engagement for Kurdish politicians in Turkey. Kurdish issue is no longer a conflict between the national governments and the Kurdish populations at the regional or national scale: it became a significant political issue in the eyes of European politicians and ordinary people. Cassier (2010: 10) argues that the accession negotiations, which turned into a bargaining process between the Turkish state and EU, opened new spaces of political engagement for the local state municipalities of pro-Kurdish party, DTP. As she continues to observe (2010: 17): "The DTP 'jumped' from a local (urban) level of policy making in south-eastern Turkey to that of the immigrants' and refugees' receiving states, and then – via established and newly construed networks with different policy makers – to the institutions of the EU." This success was largely due to the support of Kurdish associations in European states, in this particular case, the Kurdish Institute in Brussels that has close ties with Flemish politicians who work either at a regional or national or a subnational (EU) level. Through establishing 'transnational advocacy networks' (Keck & Sikkink, 1998 cited in Watts, 2006), with the help of European Kurdish Diaspora organizations such as the Kurdish Institute in Paris and the London-based Kurdish Human Rights Project, a new norm of Kurdish national rights was institutionalized within non-governmental and governmental bodies in Europe (Watts, 2006).

### **3.2.3 The Struggle Moves Back To The City**

The year 1999 constitutes a watershed in Kurdish movement's history. On 15 February 1999, the leader of the PKK, Abdullah Ocalan was captured by Turkish Special Forces in Kenya, and taken back to Turkey.<sup>55</sup> His capture was a shock for the Kurdish communities all around the world, which resulted in a series of demonstrations, riots and eruptions in over 20 cities around the world (White, 2000:

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<sup>55</sup> The capture of Abdullah Ocalan was the result of a series of events that is usually referred as the weakening power of PKK in the late 1990s. The number of PKK attacks radically decreased from a reported 3300 in 1993 to 1436 in 1995 and 488 in 1999 (Human Rights Watch, 2001; The Economist, 1997, p. 58 cited in Watts). The mounting political pressure on Syrian government by the Turkish state and its politicians resulted in the ejection of Abdullah Ocalan from Syria on 9 October 1998. His attempts for finding political asylum in European countries turned ineffective as he was captured and delivered to Turkish intelligence service officers in the Greek embassy in Kenya.

187). Following his first statements, violence and uproar in cities ended; PKK declared a unilateral ceasefire; thousands of PKK fighters responded to Ocalan's call and left the country. The year 1999 signaled the beginning of a new era for the PKK, first characterized by retreat and dismantlement, then a radical ideological and organizational restructuring in line with the new model of organization devised by Abdullah Ocalan in his defense texts and personal communications with his lawyers.

The same year in the municipal elections of 18 April 1999, short after the capture of Abdullah Ocalan, the candidates of pro-Kurdish party, HADEP (for the Kurdish political parties see Box 5 in Appendix 1.8), swept 13 provinces in the southeastern part of Turkey including the greater municipality of Diyarbakir, and sent 37 mayors to office. Except the short period of Mehdi Zana's municipal presidency in 1977, it was the first time that Kurdish activists were elected to local state at such a massive scale. The 1999 local elections heralded the rise of Kurdish politics as a challenging force in Turkish political life, which has carried the Kurdish demands at the nation-scale and local-scale politics. In 2004 local elections, pro-Kurdish party won 30 mayoral seats in the region's major cities and towns whereas after the 2009 local elections, the number of mayoral seats by the pro-Kurdish party rose to 96 in eight cities.<sup>56</sup>

As Oktem observes in the case of Mardin, after the 2000 the axis of the struggle shifted to cities in southeast Turkey: "While the large part of the territorial struggle of Kurdish insurgents was fought in the countryside, it is the urban space that emerges as the site of negotiation during the depolarization of politics, in the realm of symbols, as well as in the everyday practices of its residents" (Oktem, 2005: 252). The success of pro-Kurdish parties in municipal elections allowed the Kurdish movement to create parallel and competing forms of governance and symbolic realms – that is a "competing governmentality" through which a new collective Kurdish subject can be formed (Watts, 2010: 13-15). Municipalities engaged in administrative modernization projects including sanitation and health programs, city make-up and urban planning, social surveys, transportation and street improvements, infrastructural investments such as the improvement of water and sewage systems. These modernization projects served to legitimize Kurdish movements' demands for more local autonomy as they

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<sup>56</sup> see <http://secim.iha.com.tr/>

Winning seats in the parliament needed to wait until 2007 due to the election threshold for general elections. In 2007 elections, DTP formed an election alliance with socialist parties and sent 20 deputies to the parliament. In 2011 elections, 36 deputies could take seats in Turkish parliament.

meant the appropriation of state functions (Watts, 2010: 143-4). HADEP's election slogan in the 1999 campaign, "We will manage ourselves and our city on our own" was promulgated by various DTP mayors in the Kurdish cities of the Southeast such as Batman, Cizre, Iğdir, Siirt and became the slogan of the party until the 2009 local elections. As the mayor of Siirt, Selim Sadak writes in municipality's web page:

*Another Siirt is Possible:*

In 1999 elections, we won 37 mayoral seats with the slogan that "we will manage ourselves and our city on our own." In 2004 elections, our party won 56 seats. Many urban services, which were ignored by the Turkish state for 86 years, were realized in only ten years during our mayoralty. With our accumulated experience and knowledge, in order to perform our service to Siirt and turn it into a modern city, we will make our city the center of democracy, culture and peace through ensuring democratic participation and direct participation of the people (...) We will create a "city of peace" where everyone can participate in realizing the free participation with the feeling of belonging in its highest form (...)<sup>57</sup>

The competing governance of DTP municipalities aimed at the creation of a new Kurdish subjectivity that is compatible with the image of the cities that these new enthusiastic mayors seek to build. This competing governmentality is built upon a modern self with the will and imagination for a pluralistic society in which "every ethnic difference, identity and difference can participate into the society and make it his/her own." (<http://www.siirt.bel.tr/>) Election to local state institutions provided the municipalities with new resources and opportunities to re/define the Kurdish populations as well as urban spaces. A 'symbolic politics,' (Watts, 2010) which aims to traverse the norms and the practices of the established between the Kurdish populations and Turkish state was put into work through municipal use of Kurdish language, rekurdification of space by changing the names and creating commemoration areas, cultural fairs and festivals (see chapter 4) and restoration and cultural heritage projects (see chapter 9).

The growing influence of legal politics in the Kurdish movement was accompanied with the radical restructuring of the PKK, which took place after the capture of Abdullah Ocalan. PKK went through a horizontal and vertical restructuring along with the 'democratic confederalism' model proposed by Ocalan during his imprisonment in Imrali Island. Ocalan's defense, which took its final form in 2003,

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<sup>57</sup> Please see <http://www.siirt.bel.tr/>

resulted in the development of a new project centered on the concepts of democratic republic and then, democratic confederalism. As Jondergen and Akkaya (2012: 145) argue, both concepts demanded a radical rethinking of the concepts of democracy and the nation-state. In 2003, Ocalan proposed the foundation of a People's Congress of Kurdistan that can 'envisage a peaceful solution for the Kurdish question on the basis of a democratic politics within the existing states.' "Instead of a nationalist and statist Kurdistan project which has been perceived as a second Israel in the region by the Turks, Arabs and Persians" (Ocalan, 2003: 97 and 100 cited in Akkaya and Jongerden, 2012: 149), Ocalan argued, a transnational political organization of Kurdish movement should be established within the boundaries of four nation-states with their national integrity kept intact.<sup>58</sup> This shift was identified in a more detailed fashion in his defense texts and transformed into the project of 'democratic confederalism,' which builds on the empowerment of localities, in Ocalan's words: 'the self-government of local communities and is organized in the form of open councils, town councils, local parliaments, and larger congresses.' (Ocalan, 2008: 32 cited in Akkaya and Jongerden, 2012: 153). For Ocalan, 'the citizens themselves are the agents of this kind of self-government, not state-based authorities' (ibid).

Between 2000-2005, the Ocalan's model of a transnational Kurdish organizational scheme was discussed at length during the PKK's congresses and implemented through important organizational restructuring. In the eighth congress of PKK, which was held in 2002, 'the PKK style struggle' was defined as 'out of date' and 'any activities which may take place under the name of the PKK' were identified as 'illegitimate.' After 2002, the classical organizational structure of PKK, which was based on the organizational scheme of communist parties was dismantled through various steps and replaced with "a complex of parties and organizations comprising several parties (including the PKK as a party) and sister parties in Iraq, Syria and Iran, the co-party which separately organizes women, the armed organizations and the popular front Kongra-Gel" (Akkaya and Jondergen, 2012: 147-8).<sup>59</sup> The capture of

<sup>58</sup> It is known that the PKK had moved considerably from its founding demand of establishing an independent state in the early 1990s. In one of his interviews, Ocalan clearly stated that the PKK does not want to separate from Turkey: "There's no question of separating from Turkey. My people need Turkey (...) unity will bring strength." (Hurriyet, 1 April 1993, cited in White: 163).

<sup>59</sup> The main legislative and executive bodies of this new structure are Kongra-Gel founded in 2003, KCK in 2007 and KNK in . Kongra-Gel (People's Congress) is the legislative body of the organization, KCK (The Association of Associations in Kurdistan) constitutes the executive body that coordinate all parties and organizations, KNK is the National Congress of Kurdistan which is a 'pan-Kurdistan



Abdullah Ocalan, the emerging of Iraqi Kurdistan and the growing popularity of Barzani in Iraq and Kurdistan, and the emergence of JDP in Turkey led to an internal crisis within PKK, which resulted in the refoundation of the organization. This refoundation or restructuring is a proposition of ‘a pan-Kurdish alternative realized from below, contrary to the US-led state-building from above’ (Akkaya and Jongerden, 2012: 154) and necessitates empowerment of local structures. With local municipalities held by the pro-Kurdish party DTP and thousands of internally displaced Kurdish peasants who fled into cities, the urban spaces of Kurdish cities also emerged as significant sites for PKK to continue, deepen and modify its activism. The political-military struggle of the organization shifted to civil campaigns and in the direction of a political struggle in which DTP, with its grassroots organizations and elected representatives has started to take the lead (Akkaya and Jongerden, 2012: 157).

### ***3.3 Recapitulation***

The rescaling processes and the shifts in the spatio-temporality of the nation-states inevitably bring new political strategies and forms of mobilization to circumvent and challenge the present entrenched structure of scale. This chapter discussed how local movements reach for the national, and then the global in pursuit of their aims and hopes to turn the balance of power to their advantage. The multifaceted ISI strategy, which was based on strict forms of geographical and class-based (interclass and intra-class) exclusions created various forms of mobilizations in the Islamist and Kurdish movement. The first part of this chapter discussed the “passive revolution” (Tugal, 2009) within the Islamist movement. A marginal movement in the 1970s, Islamic movement managed to jump to the national scale in the 1994 local election and the 1995 general election under WP through creating new form of localisms, which challenge that of top-down state-society relations – the creation of “dual power zones” through municipalities and charity organizations. The growing network of Islamic TV channels, publishing houses and an emerging symbolic class within the

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umbrella organization bringing representatives of the Kurdish Diaspora and representatives of political parties from all parts of Kurdistan. The military organization of the PKK now consists of HPG (People’s Defense Forces) which constitutes the armed forces of the movement, HRK (The military force of eastern kurdistan), which works in collaboration with PJAK and YJA-Star (Akkaya and Jondenberg : 159)

movement combined with an extending Islamic “textual community”, Gulen community mainly building an educational network all around the world.

The heterogeneous field of the Islamist movement, which included a wide positioning of its actors in terms of class affiliations, the degree of their oppositional stances towards the state and the forms of mobilizations they employ was overwhelmed by one fraction in the movement: the economic front, which emerged out of the tension between big capitalists based in metropolitan cities and small-scale industrialists in Anatolian cities in the 1970s. Organized along MUSIAD, in a close interaction with many other Islamic networks and communities, and in an alliance with the new intellectuals of the movement, this fraction became the pillar of the neoliberal Turkey and the carrier of the pro-Islamic Justice and Development Party to the power in 2002.

In the 1960s, Kurdish dissent, which was shattered and almost eradicated through massacres and various assimilatory policies by the Turkish state during the single party era, was reoriented around Marxist, socialist and left-wing understandings of economic redistribution, class struggle and anti-imperialism. In an interaction with various Turkish leftist groups and parties, Kurdish movement reoriented its struggle; and redefined its goals and means of struggle. Equally important was the radical transformation of the conception of state-society relations within the movement. During the 1960s, the Kurdish movement had put its claim on the state, turning its resistance into a challenge to redefine the relationship between Kurdishness, political representation and sovereignty. The explicit exclusion of the Kurds during the ISI era integrated into a growing disillusionment after the 1970s. Kurdish movement gradually became more autonomous, more radical and revolutionary in its discourse and actions. Out of the heterogeneous field of resistance in the late 1970s, PKK emerged as the leader and the most influential actor of the Kurdish movement in Turkey throughout the years.

With its Marxist-Leninist, ethnonationalist and ant-imperialist stance, in 1984 PKK started an independence war to the Turkish state and its collaborators including the Kurdish feudal landlords and capitalists who were reluctant to sever their ties with the central government. 1990s saw the emergence of the first legal pro-Kurdish party, HEP. Combined with support of the Kurdish Diaspora in Europe, politicians from the

pro-Kurdish movements managed to jump from a local level of policy making in south-eastern Turkey to that of European scale. “Thickening” (Watts, 2010) of the elite structure of the Kurdish movement produced a set of actors that serve as interlocutors between the movement and the representatives of the Turkish and European states.

In both of these bottom-up mobilizations, EU emerged as an important interlocutor. JDP made use of the accession negotiations between Turkey and EU and EU reforms for dismantling the bureaucratic and military arms of the Kemalist ideology, which in return resulted in the reinstatement of its own hegemony whereas Kurdish movement made recourse to the EU states in an attempt to “democratize” the Turkish republic. Both movements mobilized through local state institutions, by creating dual zones or “challenging governmentalities” in order to create their own subjects. And both movements experimented with the capitalist restructuring in a highly intensifying interlocal competition, testing their political projects against their political claims and ideologies. Chapter 4 will situate the cities of Diyarbakır and Gaziantep in this wider political context and the territorialization of neoliberalism developed throughout the last two chapters and it will provide the intra-city divisions within the cities with a specific focus on the local business circles of these two cities.

#### 4. From Intercity Competition to Intra-city Competition: Trajectories of Cities

investment |in'ves(t)mənt|

noun

1 the action or process of investing money for profit or material result

- a thing that is worth buying because it may be profitable or useful in the future
- an act of devoting time, effort, or energy to a particular undertaking with the expectation of a worthwhile result.

2 *archaic* the surrounding of a place by a hostile force in order to besiege or blockade it. (Oxford Dictionary)

To be dominant in a system is not to dominate the system. Both the dominant and the dominated are equally caught in it. One has the advantage, the other does not. (Crapanzano, 1985: 21)

On September 9 2011, the businessmen associations in Gaziantep were in a rush to meet the Prime Minister Tayyip Erdogan in the Gaziantep Airport. The Prime Minister came along with many ministers from the Cabinet to give a speech for the inauguration ceremony of the Zeugma Museum, 'the biggest mosaic museum' in the world, which hosts 2000 years-aged mosaics of the old city Zeugma. In the last ten years, under the mayoralty of JDP, Gaziantep saw the inaugurations of many museums and urban make-up projects (see Chapter 8). During the ceremony, the Prime Minister gave his special thanks to the people of Gaziantep 'who never left his party alone in its political journey.' He also thanked to the MPs of the city and the local state institutions: 'in the back streets of Gaziantep, people couldn't walk because of the dirt and the garbage. You know all these better than me. But now, we are in a different Gaziantep, a city that is transforming for the better each day. But, it is not enough. We still have work to do.' Gaziantep with five Organized Industrial Zones and a steady increase in its production and export volume in manufacturing industries constitutes an exception in the southeast Turkey (see Table 2 in Appendix 1.9). This

is a source of pride for the locals, and a path or a model to be followed for the prime minister. He continues to compare Gaziantep with other cities in the “region”:

My national investors and the foreign investors cannot make *investments* in Diyarbakir or Van. Why? They say: “we cannot know what will happen tomorrow.” But they find Gaziantep *safe*; they find Sanliurfa, Adiyaman *safe*. These cities are rising. I assure you that once we solve this problem [the problem of terror] in Diyarbakir, the city can make a similar leap.<sup>60</sup>

After the ceremony, the Prime Minister in company of his ministers participated the wedding ceremony of Cahit Nakipoglu’s son and Gaziantep MP Halil Mazicioglu’s daughter in the ‘biggest Cultural Center of the Middle East’ in SehitKamil neighborhood. The Prime Minister was the witness of the groom, a symbolic status during the wedding ceremony usually offered to the respected elders of the family. In 2013, Erdogan visited Gaziantep again, this time for the wedding ceremony of Nakipoglu’s daughter. Both wedding ceremonies hosted an important number of high-level bureaucrats and politicians from the national and local level, including the most important businessmen of the city and western parts of the country.

This chapter aims to discuss two forms of the localization of neoliberalism through the cases of Gaziantep and Diyarbakır. It seeks to delineate the local actors of the localization of neoliberal policies in these two cities and to discuss how the trajectories of these cities are determined through complex and complicated relations between local political elites, municipalities, and business circles. First section of this chapter will focus on the dynamics of local politics in Gaziantep – seen as a model city and a paragon of neoliberal Turkey. I will first deal with the local rule regime, which is constituted upon the collaboration of the local state institutions with the business circles. Then, I will discuss how Gaziantep, a city mainly fronted with businessmen with a deep pragmatist political attitude, managed to “jump scale” through this collaboration. The pragmatist political attitude of the businessmen in the city allowed for a swift reconciliation with the shift in the central government in 2002. The shift to JDP’s rule in 2002 was immediately reflected in the local adjustment of the municipal regime of the city in 2004 when Celal Dogan, the mayor of the three successive terms was defeated to Asim Guzelbey from JDP. Lastly, I will discuss how the pro-business and nationalist elements in JDP’s political and economic discourse

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<sup>60</sup> From his speech in the inauguration ceremony of the Zeugma Museum, September 2011.

and the party's tendency for a centralized regime articulated well with the local nationalism and entrepreneurialism at the local level, and reinforced the local rule regime in Gaziantep. Second part of this chapter is devoted to the trajectory of Diyarbakır, which attempts to become a cultural centre in the Middle East. The localization of neoliberalism in Diyarbakır is mainly led by the political and intellectual elites of the city and incorporates a “symbolic politics” of the Kurdish movement that aims to create parallel and competing forms of governance and symbolic realms – that is a “competing governmentality” through which a new collective Kurdish subject can be formed (Watts, 2010: 13-15). This competing governmentality on the parts of local state officials imposes a complicated relationship between the local state officials and the businessmen of Diyarbakır. I will first discuss how Diyarbakır municipality opened up a space for itself as a cultural and symbolic capital in the Kurdish region through its links with the Europe. Then, I will situate the local businessmen in this picture and discuss the strategies and mechanisms they employ in putting their claims on the city and justifying their presence in the local economy.

#### ***4.1 The Collective Mind of Gaziantep: The Production of a Local Rule Regime***

You say wind power; environmentalists reply saying you will scare the birds. You set up hydroelectric power plants; they say that you dehydrate the brooks. You intend to use atomic energy, they say that it is a violation. You use coal power, they talk about air pollution. OK, but how will we run this place [the Organized Industrial Zones of Turkey]? These are all activities of the gas lobby. We are also environmentalists but we are facing problems. Who freaks out calls himself an environmentalist. We discuss these issues only with people who take these matters seriously.<sup>61</sup>

What characterizes Gaziantep is the penetration of neoliberal ideology into the local state, in not only the organization of economic activities, but also the organization of ideas and ideals about the city. A new discourse of “vision”, “mission”, “collective mind”, “branding” and “efficiency” covers the city like a net. The main actors of the

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<sup>61</sup> Abdulkadir Konukoglu's reply when his energy investments receive criticisms from the environmentalist groups in Turkey (Kadak, 2010). His conglomerate, SANKO Holding (See Chapter 7), is one of the biggest firms in Turkey. SANKO is an emblematic figure for not only Gaziantep but also for Anatolian capitalists.

city, such as chambers, businessmen organizations, municipalities, and governorship are united around one ideal: to increase the economic efficiency of Gaziantep. Asım Güzelbey, the mayor of Gaziantep, argues that the local state has to collaborate with the industrialists of the city by offering them opportunities, and creative solutions to their problems. He emphasizes that he will always work in coordination with the local chambers, Chamber of Industry (GSO) and Chamber of Commerce (GTO) in Gaziantep. In a similar vein, Metin Özkarslı, former mayor of Şehitkamil municipality, underlines the interaction between local state and the city's economic development. He states that the collaboration between municipalities and industrial institutions is “an indispensable component of an effective and successful conception of urban service”. He adds that in the phases of production and implementation of urban policies, and in the determination of the best options for the city, the local state and municipality are not the sole actors. “Scientific knowledge accumulation” and the “experiences” of local businessmen should also be included and applied to the services of the local state to contribute to a “local image”, “liveliness”, “enthusiasm” and “social sensibility”. As Lütfullal Bilgin, the former governor of Gaziantep acknowledges:

What differentiates Gaziantep from other cities in Turkey may be the fact that Gaziantep is governed by a *collective mind*. The governor, presidents of municipalities, presidents of chambers, and NGOs always acted together in detecting and remedying the problems of the city. And this is why they were always successful in carrying the city a step ahead. Seeing such a collaboration in the city relieved me and *boosted my self-confidence* when I took over the office.<sup>62</sup>

The establishment of the Greater Gaziantep Municipality in 1989 and the election of Celal Doğan as the mayor of Gaziantep laid the grounds for the integration of business interests into local politics. Celal Doğan, who is accepted to be the “architect of modern Gaziantep”, facilitated the birth of a local “corporate regime”, characterized by a pro-business agenda. Celal Dogan was a candidate of Social Democrat Populist Party (SHP) in 1989 elections; he was in office for three successive terms (from 1989 to 2004). Having good ties with the presidential boards of local Chambers, Celal Doğan fervently supported direct involvement of local business people into politics, and paved the way for their increasing weight in local politics. (Bayırbağ, 2009: 9-10). During his presidency, the Gaziantep municipality

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<sup>62</sup> Değişim, (4) 23, p. 14. Italics are mine.

has been actively involved in building the physical infrastructure for economic development. The municipality initiated the Gaziantep Commercial and Industrial Center (GATEM), and actively assisted the construction of organized zones around the city. These interventions into urban infrastructural development produced positive effects in attracting investors from outside of town and provided a further impetus for Gaziantep's industrial development (Özcan, 2000).

Celal Dogan's mayoralty was usually criticized on the basis of his exclusionary stance against the urban segments in the city other than business circles. In one of my interviews, a CHP member of the city council stated that the defeat of Celal Dogan was expected.

Gaziantep was a city where the social democrats and their political parties were quite powerful during the 1970s and 1980s. Now, we are defeated and we tend to think that JDP deceived the people of Gaziantep with their promises before the elections. But, we have to analyze the situation well. Celal Dogan was the representative of the social democrats, and he was expected to be representative of the people of Gaziantep. So the failure of social democracy in Antep is partly on Celal Dogan's shoulders (...) In the last years of his mayoralty, poverty became extremely visible, mayoral services were extremely expensive. Rumors about his corrupted relations with the businessmen held sway the city. This was a paradox, you are a social democrat, but you live in a small circle of businessmen.

*So, his defeat was a response to his failure in mayoralty?*

Yes and no. I do not believe that JDP will be different. But they have a growing popularity. Some of the problems with the mayoral service delivery (such as water system) are solved. But, in city councils, we are still fighting with corruption. In Celal Dogan's case it was just more visible. Now it is curtailed.<sup>63</sup>

The local rule regime and how it is shaped around a business friendly agenda came to light during the 1999 elections. A rival candidate who built his election campaign on the ideal of 'equality' openly criticized the powerful names of Gaziantep and their relations with Celal Dogan in a forum in a national TV channel (NTV): "The president institutional structure does not allow the representation of all sections of society. There are institutions other than the GTO and GSO in this city (...) We want to change this structure". Abdulkadir Konukoglu's, the president of SANKO, response was short: "We are happy with our balance. We work in harmony with our

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<sup>63</sup> Interview in Gaziantep, May 2008.



governor, our police chief, our mayor, our chambers of commerce and industry.”  
(Bayirbag, 2009: 10)

The defeat of Celal Doğan in the local elections of 2004 and his replacement with Asım Güzelbey from the JDP reveal two important insights regarding the relations between business circles and the local state institutions. First is the emergence of a new bourgeois segment in the local bourgeoisie and the growing significance of Islamic businessmen associations and business networks in the city. Second is the pragmatist attitude of the businessmen in the city towards national politics, which led to the absorption of the intra-bourgeois divisions by the collective mind – the local rule regime of the city, which is based on the telos of industrialization and exportation. In this sense, the election victory of JDP in 2004 elections did not constitute a rupture in the local rule regime; rather it signifies a continuum with its reinforcement. For Taner Nakiboglu who represents the newly emerged Islamist industrial bourgeoisie (for NAKSAN Holding see Chapter 2), the main characteristic of Gaziantep is the collaboration between different segments of the urban economy:

In Gaziantep we built five Organized Industrial Zones (...) Today Gaziantep produces 95 percent of carpet production in Turkey and 35 percent in the world (...) We are about to surpass Ankara in term of our export capacity. We are working on the planning of the sixth and seventh OIZs. Four years ago, we had 11.000 students in our city, now we have 35.000. We are the ninth city in the world in terms of population growth. Our population growth rate doubles the national average. Recently, we hosted a commission from USA to analyze our entrepreneurial spirit (...) *In Gaziantep whatever your political inclinations are; you work with a collective mind. Everybody in the city works for Gaziantep. All these come together and constitute what Gaziantep is.*<sup>64</sup>

During his mayoralty, Celal Dogan himself based his popularity upon such a pragmatic attitude. He stated that party politics is not what Gaziantep needs: ‘the mayor of Gaziantep should take off the badge of his party and be the mayor of everyone in the city.’ In 2004 local elections, his rival Asım Guzelbey’s (the candidacy of JDP) campaign was rather stressing the necessity of party politics: ‘working in harmony with the central government.’ Before the elections, Konukoglu family announced that they would not support the candidacy of Celal Dogan since he

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<sup>64</sup> Taner Nakiboglu represents the second generation of Nakiboglu family (see Chapter 3). This is an excerpt from his speech to university students in Antalya University on March 16, 2013. Please see, <http://www.naksan.com/gaziantep-te-isci-sikintisi-var/>

was a “worn-out face” in local politics: “Although we, as his friends, told Celal Dogan that he should not be a candidate for local elections, because he was in office for 15 years and the people of Gaziantep are looking for a brand new face, he did not take our suggestions into consideration (...) The people of Gaziantep elected Asim Guzelbey with their free will.” (Aytac, 2004) Asim Guzelbey, the director of Konukoglu Hospital, swept the majority of the votes in 2004 local elections.

#### **4.1.1 The Dynamics of the Local Rule Regime: Businessmen Associations and Chambers**

During the 1970s, many cities in Anatolia were the cradles of strong divisions and intra-class conflicts between commercial and industrial capital (Öncü, 1980). Struggles and conflicts between the industrialists and the commercial capitalists within the local chamber of commerce and industry of Gaziantep resulted in their split in 1989 into GSO and GTO. The split was led by a prominent industrialist Sani Konukoglu who owned SANKO Holding, a promising textile company that became an emblem of Gaziantep’s local economy in the late 1990s (see chapter 7). Sani Konukoglu channeled the demands of the industrialists to the foundation of a new chamber (GSO), which would work as an agenda setter for the demands of industrial bourgeoisie. The Chamber of Industry in Gaziantep (GSO) was founded with the participation of 1146 small and medium sized firms, and Sani Konukoglu was elected as the first president of the GSO.

A few years later, his son, Adil Konukoglu founded GAGIAD (Gaziantep Young Businessmen Association) in 1993 by a group of industrialists. GAGIAD is known to have close ties with GSO and is defined as a “school where young businessmen of Gaziantep are educated and prepared for commercial and active business life”. As an important strategic platform, GAGIAD is quite selective in its membership. The president Yaşar Erturhan indicates that to qualify as a member, applicants should satisfy many criteria regarding their lifestyles, worldviews, and even personalities.<sup>65</sup> This selective membership served to exclude not only the Islamist businessmen organizing around Gaziantep branch of MUSIAD but also the migrant Kurdish businessmen who are peripheralized in the local economy (Chapter 7).

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<sup>65</sup> Interview in Gaziantep, June 2008.

GAGIAD works not only as an active agenda setter that holds an assertive engagement strategy with the critical nodes of decision-making within the local state institutions and the businessmen associations at the national level but it also ‘exports’ presidential cadres to GSO. Nejat Kocer who was the president of GAGIAD between 1997-1998 became the president of GSO in 1998 and held his presidential position until 2011. Members of GSO gradually started to occupy prominent positions in the umbrella business associations at the national scale such as the Union of Chambers and Stock Exchanges of Turkey (the TOBB) and turned them into strategic sites and channels of representation for Gaziantep’s entrepreneurial class (Bayirbag, 2010).

Chamber of Commerce (GTO), on the other hand, continued to be an umbrella organization bringing together a variety of different interests and demands of the various segments within the capitalist class. Kürşat Göncü, general secretary of GSO, defines the split for GTO and GSO as “the beginning of a peaceful period”. “We were quite tired of disputes and struggles. Then, we drew our boundaries and started to work together and think together for Gaziantep”.<sup>66</sup> Mehmet Aslan, the president of GTO stresses the necessity of working together: “GSO and GTO work together and make collaborations if necessary (...) We combine each other. GSO is a smaller organization, thus they work efficiently organized around a few issues. However, GTO represents all segments of Gaziantep’s economy.”<sup>67</sup> During the 1990s, GTO worked affectively to link Gaziantep to Europe. In 1996, a EU Information Office was established within the institutional framework of GTO.<sup>68</sup> The office was the first EU Information Office ever established in a non-EU member country. It aimed at creating an awareness of Gaziantep and its products in Europe; developing relations with the Europe-based firms and drawing funds from the EU based projects for the development and improvement of SMEs in the city.

In 2002, TOBB in collaboration with EU selected three pilot cities to establish EU Business Centers (ABIGEM), which can be seen as the recalibrated versions of the EU Information Offices. Gaziantep was among the three pilot cities: the other cities were Kocaeli and Izmir. In this specific project, GTO and GSO worked in

<sup>66</sup> Interview in Gaziantep, September 2008.

<sup>67</sup> Interview in Gaziantep, November 2008.

<sup>68</sup> EU Info Relays are regulated by ‘Turkey Regional Information Network’ and exist in 13 provinces of Turkey including Adana, Antalya, Bursa, Denizli, Diyarbakır, İzmir, Kayseri, Mersin, Samsun, Trabzon, Van, and Edirne.

collaboration through their networks in the TOBB and succeeded in including Gaziantep into the pilot cities and excluding their rivals, other Anatolian Tigers such as Denizli, Konya, Adana or Çorum. The director of ABIGEM office in Gaziantep argues that such a collaboration was necessary because the networks of ABIGEM provided them with more resources to channel to SMEs through EU funding programs, to find internal financing channels by creating dialogue between SMEs and national and local institutions, to develop projects for international and national markets through getting consultancy for institutionalization, business development and exports. Economic contribution of Gaziantep ABIGEM to the local SMEs was estimated to be 55 million Euros in 2007.<sup>69</sup>

Gaziantep has always been an active player in stimulating commercial ties with Iraq, Iran and Syria. In 2006, GTO initiated a regional project in cooperation with Syrian government and SPO. The Turkey–Syria Interregional Cooperation Program (TSICP), aims at promoting economic, social, cultural and scientific cooperation between two countries' border provinces. A Trade Office in Gaziantep was established, which operates directly under GTO and conducts intense activities in the basic areas such as strengthening mutual investments, cooperation between SMEs and business circles, cooperation between relevant professional offices. Rather than creating an economic reciprocity, TSICP boosted the investments and exports to Syria. As Hanefi Yılmaz, vice president of GTO, argues, in the last ten years, around ten big firms of Gaziantep, such as Akteks, Beşler, Güriş, Tat Groups became significant firms in the Syrian economy, even the larger shareholders than Syrians.<sup>70</sup> The increasing economic ties with Iraqi government also contributed to the economic boom of the city in 2000s. The city has recorded an increase of 186% of exports in the first half of 2004 compared to the first half of 2003. For GSO, Iraqi market was the most important factor in providing this dramatic increase in Gaziantep's export percentages from 2003 to 2010 (see chapter 7).

GTO, GSO and GAGIAD laid the grounds of the local rule regime in a determined corporation with the local state institutions. Strong ties with the central government and umbrella organizations at the national scale such as TOBB allowed the businessmen of Gaziantep to situate the city in cooperative and lucrative networks

<sup>69</sup> Interview in Gaziantep, May 2008.

<sup>70</sup> Personal communication in Gaziantep, January 2009.

with the European and Middle Eastern market.<sup>71</sup> Although these projects did not create immediate economic outcomes, they helped to construct an image of Gaziantep: the only “reliable” and “secure” city in the southeast Turkey, a model city for the Turkish and foreign investors to make partnerships in the region. This reflects Hanefi Yılmaz’s comment about the growing success of Gaziantep, the vice president of GTO, when he argues: “we are in a race that we cannot fall.” He was partly making reference to a recent sealing off a shadow textile factory in Gaziantep, which was caught producing ecstasy drugs. “We constructed an image of Gaziantep, a safe place where people can make investments, and of the businessmen of Gaziantep who can be trusted and competent in commerce. We will not let anyone to ruin this image.”<sup>72</sup> Businessmen of Gaziantep have a very strong notion of the “East” as a remote and distant place when they speak of the migrant businessmen in their city (see Chapter 7), however in many networks and alliances, they represented themselves as the “reliable representative of the Southeast region” (Bayırbag, 2010). Its proximity to an extraordinary geography, namely a war zone, has indeed provided a locational advantage for the city, allowing it to surpass other cities known as Anatolian Tigers such as Denizli, Konya, Kayseri, even the traditional industrial and commercial hub Adana.

#### **4.1.2 From Inter-City Competition to Intra-City Competition: Situating the Business Circles**

While these three business organizations constructed the backbone of the cooperative mind of Gaziantep, Islamist businessmen associations gradually increased their weight in the city. There are three business associations building on Islamic values in Antep: GAPGIAD (Gaziantep Sharing Young Businessmen Association), HÜRSIAD (Free Industrialists and Businessmen’s Association) and MÜSIAD (The Independent Businessmen’s Associations). MÜSIAD-Gaziantep is the most powerful among these three. It was initiated by Osman Nakıboğlu (NAKSAN) in 1993, and from the beginning aimed to work in harmony with the basic premises of the local rule regime.

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<sup>71</sup> Businessmen of Gaziantep accompany ministers and Prime Minister in their trips, which may serve well to businessmen to pass on complains and problems of businessmen within the city.

Değişim, yıl: 4, sayı: 22, p. 7.

<sup>72</sup> Personal communication in Gaziantep, February 2009.

Cahit Nakıboğlu, like the members of GSO, GTO and GAGIAD has a strong sense of belonging to the “culture of Gaziantep”

Here, our culture is industry. Gaziantep is a model of nationalist entrepreneurialism [by nationalist he refers to a Gaziantep nationalist]. The entrepreneur of Gaziantep thinks how he can provide benefits for his homeland [Gaziantep]. He always asks ‘what shall I produce?’ ‘How can I provide benefits for my people? This is why Gaziantep is an industry city. The people of Gaziantep make investments to their own homeland (...) In our industrial zone work 80-90 thousand workers; this means that 400.000 people earn their living from industrial production. We are not proud of our cars, houses, we are proud of the number of the workers in our factories. This is what our cultural codes demand.<sup>73</sup>

‘Nationalist entrepreneurship’ was a general theme in my interviews. Many businessmen referred to their ‘Gaziantep nationalism,’ ‘devotion and commitment for their homeland [the city of Gaziantep]’ as the reasons behind Gaziantep’s success. Gaziantep nationalism allowed them to make investments in their own city, to keep their young investors in Gaziantep and to provide a pro-business environment for foreign investors. It also created a “common desire,” a “shared dream,” “a feeling of belonging,” “a source of pride” for the businessmen of Gaziantep, which precluded “divisions” or “overt conflicts” within the urban economy.

A young businessman working in the youth branch of MUSIAD-Gaziantep defined the business life in the city as a “big family whose members may have different characters”. His uncle is an active member of GSO and a fervent defender of the ideal of turning Gaziantep into a center of innovation and production in the Middle East. “Our family is one of the most established names of the business life in Gaziantep. I wanted to work in MUSIAD because I know how things work in GSO and GAGIAD,” he said. “I wanted a space of my own where I can challenge myself and bring a different perspective into our family firm.”

What was your family’s reaction when you started to work in MUSIAD?  
They were happy. And I am very successful. In a very short time I became the leader of the youth branch.  
Were they worried?  
Why should they be worried?  
Some people are worried when things change. JDP’s rule, the growing power of MUSIAD in the city can signify a change for them.

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<sup>73</sup> Personal Conversation in Gaziantep, May 2008.

You may be right, but it is a change for the better. For many business people and me, there is no difference between GAGIAD, GSO, GTO or MUSIAD. I do not know what you have in mind but in our youth branch we have many female friends (...) We are a bunch of people who work for their city (şehir için çabalayan), how to make it a better place.<sup>74</sup>

The “Gaziantep nationalism” allowed for a smooth and swift reconciliation of the industrial and commercial bourgeoisie with the JDP rule and the rising Islamist capitalists in the city. The most significant example regarding the reconciliation was the 2011 general elections when Nejat Kocer, who held the presidency of GSO for 12 years and known to have close ties to the big capitalists such as Konukoglu family was elected to the parliament as an MP from JDP.

The invisible partners of this coalition are the *peripheralized* Kurdish migrant businessmen in the city who are usually referred as the ‘easterners’ by the local populations (see chapter 7) and the small merchants and industrialists who constitute the backbone of Gaziantep’s industry. Mehmet Haratoğlu, the president of the Association of Small Industrialists in the Industrial Development Zone (Ornek Sanayi) defines the industrialist as “the person who gives soul to the metal”. And he adds: “Our district is the only district on earth that carries the name *Marty*<sup>75</sup>... We always worked in coordination with our industrialists and businessmen because we always believed that collective mind would be successful. We paved the way for our businessmen not only in offering technical support but also other services.” (Dunya, 2008) Mennan Aksoy who is known as the master of machinery in the city says that Gaziantep owes such a rapid development to metal industry and the masters of machinery. He says: “no industry can develop without metal industry. And we will never leave the *front line*”.<sup>76</sup> Many owners of small ateliers and machinery complain about insufficient state support and the general lack of interest on the parts of big capitalists. An owner of a small atelier in the small industrial zone complains about the negligence of state, he puts it as a problem of not only Gaziantep but also Turkey: “if state had given support to the small ateliers in Örnek Industry Site, we could have been more productive to our city, region and country (...) People look at Gaziantep

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<sup>74</sup> Interview in Gaziantep, November 2008.

<sup>75</sup> Small Industrial Zone is located in ŞehitKamil neighborhood, meaning Kamil the Marty. Kamil is a significant figure in the Antep resistance (see chapter 8, for a discussion).

<sup>76</sup> Interview in Gaziantep, June 2009.

and see fancy shopping malls, huge industrial complexes, they see the wealth of SANKO. But behind all these, there is a dynamic and lively commercial life in Gaziantep, which carries the burden of this wealth.<sup>77</sup>

The burden of the telos of industrialization is not just on the shoulders of the peripheralized small machinery producers. Nowadays, there is a growing concern about the “dramatic population increase” in Gaziantep. Municipalities, officers of governorship and businessmen associations share the view that the increased migration in the last ten years presents a “serious threat” to the city. Rapid urbanization coupled with migration flows to Gaziantep has had sweeping effects on the urban life and resulted in deteriorating living conditions in the slum areas. Officers of Gaziantep Governorship state that Gaziantep’s present economic success conceals the poverty, reigning an important part of the city. A young local businessman alludes to the increasing economic inequalities in the city.

There are two faces of Gaziantep: New York and Bangladesh. New York is the apparent face of Gaziantep: fancy cars, fancy apartments. But two blocks away, you see shantytowns. You see people who cannot find food... This is the other face of Gaziantep, which we do not like to share. We, the people of Gaziantep, do not like talking about our weaknesses.<sup>78</sup>

A recent study on social exclusion in slum areas of six provinces (İstanbul, İzmir, Ankara, Adana, Gaziantep and Diyarbakır) in Turkey also validates the poverty in the city. In terms of health insurances, inhabitants of the slum areas of Gaziantep suffer from grave lack of health coverage. Lack of insurance in the inhabitants of the slum areas of the city is 84 % whereas in Diyarbakır, which used to signify “poverty and underdevelopment” in the popular imaginary, the number slightly rises to 91 %. Gaziantep is followed by Adana (%62) and İstanbul (%55). %48 of the sample population in Diyarbakır has no social security while in Gaziantep the number fell only to %43. Moreover, the study illustrates the fact that 54 percent of all houses in 6 provinces do not have a regular income where this rate increases to %91 and % 84 in Diyarbakır and Gaziantep, respectively (Adaman and Ardiç, 2008).

In terms of education, many local state officials complain about insufficient number of schools in the city. In the city centre, the schools accommodate more than 70

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<sup>77</sup> Interview in Gaziantep, September 2009.

<sup>78</sup> Interview in Gaziantep, September 2009.



students per classroom. “Are we Sirnak [a city in the eastern part of Turkey]?” a local state official asked me. ‘Our businessmen should solve this mess in education. Big names like Konukoglu or Nakiboglu have many schools in the city, but it is not enough. You cannot be an attraction centre or innovation valley with 70 children in one classroom.’<sup>79</sup> The inflow of migrants from ‘eastern cities’ is usually given as the reason behind this population increase, which ‘unbalanced the local dynamics of the city.’ Kurdish migrants who inhabit the neighborhoods of Beybahçe, Vatan, Aktepe and are seen as the reason behind the unbalanced urbanization of the city, constitute a majority of the workforce, which is absorbed by the industrial sector.

In the last two years, medium scale strikes erupted in textile sector, which is one of locomotive sectors of the city.<sup>80</sup> In a survey conducted among businessmen in 2005, local businessmen in Gaziantep were already indicating to two factors that increased the production costs: the increase in raw material prices and the labor salaries. On August 2012, a general strike started in six factories, Gurteks, Gur Iplik, Canan Textile, Motif Iplik, Zeki Mensucat and Sireci Textile. The strike was against the insufficient salaries and working conditions, deprivation of bonuses and weekend vacations, working up to 12 hours a day with no overtime, and the lack of safety measures. The main complaint of almost 2000 workers who started the strike was the cut back in bonus salaries: “we are working for 700 TL (approximately 300 Euros) a month. We are not paid our bonuses and we received no salary rise for five years.” The strike in Gaziantep found a wide interest in the national leftist media, it was held by workers with no affiliations to any workers union and one of the biggest strikes in the last ten years. When I called one of informants who works in Zirve University, he told me that the business circles are quite tense as they fear that ‘the strike will spread to other factories and turn into a massive strike like the one in 1996.’

In the early days of the strike, Abdulkadir Konukoglu, as a representative of GSO visited the workers and told them to go back to work: “Despite the economic decline in the country, there are people who pay your bread-and-butter. Stop this resistance and go back to work. Shall we move our factories to India or Syria? What will happen

<sup>79</sup> Interview in Gaziantep, September 2009.

<sup>80</sup> As of 2008, textile was employing more than 2000 workers with an apparent contrast compared to other sectors (Food 350, Plastic/Chemistry 450, Metal 100 and Other 500), see GSO, Economic Report, 2008.

then, you will starve here.’<sup>81</sup> On its tenth day, the strike reached a number of 5000 workers, and although they were not unionized they managed to increase their salaries (the average salary increase was around 5%) and regulate their working hours.<sup>82</sup> The victory was accomplished, yet modest. Baspinar Organized Industrial Zone went back to its normal routine.

#### ***4.2 The Trajectory of Diyarbakır: Cultural Centre of the Middle East***

When the cement factories were privatized in the 1990s, all the businessmen in Diyarbakır leagued together, yet they could not buy one cement factory in Ergani. It was later bought by Uzan Group. Here, the businessmen can be rich on the basis of the economic criterion of this region, but we should question their power and [also their wealth] on the basis of the standards of Turkey or the world. The bourgeoisie in Diyarbakır accumulates capital with the help of state auctions and in a parallelism with the political power [by parallelism he refers to collaboration with the central governments] (...) This is why when they accumulate enough and get bigger, they migrate to the Western parts of the country. Their relations with the region are weak.<sup>83</sup>

The unilateral ceasefire declared by the PKK in 1998, the election of DTP to the metropolitan municipality in March 1999, and the dismantlement of the Emergency Rule in 2002 led to the emergence of a vibrant “public sphere” in Diyarbakır where NGOs and civic organizations such as KAMER, ÇEKÜL, ÇEVGON, *Hasankeyf Gönüllüleri*, TKV, GAP-GIDEM, DIKASUM, GÖÇ-Der, and IHD became important actors recovering the ravages of the armed conflict in the city.<sup>84</sup> The sheer weight of municipality strengthened with a growing “civil society” has nationally and internationally opened up a space for Diyarbakır in political and intellectual networks. After DTP’s victory in local elections in 1999, Diyarbakır has received a steady

<sup>81</sup> <http://haber.sol.org.tr/sonuncu-kavga/gaziantep-te-grev-cig-gibi-buyuyor-haberi-58396>

The resistance continued, on its tenth day 5000 workers were in a strike, and although they were not unionized, they managed to increase their salaries at a lower rate than their expectations. See, <http://www.evrensel.net/news.php?id=34574>

<sup>82</sup> <http://www.evrensel.net/news.php?id=34574>

<sup>83</sup> Interview in Diyarbakır with one of the former politicians of HAK-PAR who now owns a construction firm, June 2010.

<sup>84</sup> Diyarbakır was hit by the civil war. Village evacuations in the region left more than two million peasants homeless overnight, and created a massive flow of displaced people to the cities. Diyarbakır was a stopover for many displaced Kurdish peasants, and the population of the city almost tripled in a few years during the mid-1990s. The stagnant local economy of the city was almost shattered following this “forced urbanization.” The poverty and misery caused by migration waves to the city have presented a uniting platform for NGOs and municipality.

stream of foreign delegations – European members of parliament, human right activists, students, writers and researchers travelled to Diyarbakır to meet pro-Kurdish officials and to observe the situation in Kurdistan.<sup>85</sup> The city also attracted an important number of researchers, human rights activists and non-profit organizations from Istanbul aiming to make research, observe or build partnerships with the local actors for the recuperation of the city.

Chief and permanent among these efforts is the foundation of Diyarbakır Art Center (DSM) in 2002. The Center was established as a private-sector initiative composed of a group of artists, intellectuals and businessmen from Istanbul and from Diyarbakır with the initial motto of creating “a bridge between the East and the West.” In 2002, Serhan Ada, one of the initiators of the project and an academician put the aim of the project as the follows: “In Turkey we have ‘us’ and ‘them’, ‘there’ and ‘here’. With the help of Diyarbakır Art Center we want to do away with these distinctions and underline the word ‘all of us’.” (Altınay, 2002) In its web page, Art Center aimed to function as a civil initiative, which works collectively with institutions that share the similar intentions, and to create a platform for the people and the artists of two cities; ‘West of the East’ (Diyarbakır) and ‘East of the West’ (Istanbul). In a few months, the Center became a branch of Anadolu Kültür (Anatolian Culture), a non-profit company based in Istanbul.<sup>86</sup> Although Anadolu Kültür’s mission covers supporting local initiatives, creating civil space, raising awareness of common cultural heritage of different cultures all around Anatolia and to facilitate inter-regional cooperation, the institution’s sole branch is in Diyarbakır, namely DSM. (Bøe, 2011) In 2007, the coordinator of the centre stated that they try to break the prejudices and the suspicious atmosphere, which ruled the city in the 1990s.

When they offered me the job, the first thing I asked was why they wanted to do this. Why were they were trying to open an art centre here? In

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<sup>85</sup> Such an interest attracted the attention of Turkish officials and press complaining that many European parliamentary delegations bypassed Ankara (Watts, 2006). In 2000, 3 mayors of the DTP were arrested and detained for a week. One of the accusations was that they attempted to politicize PKK through “their communication with delegations from more than twenty countries”. (Balıkcı, 2000)

<sup>86</sup> The center is founded with the participation of business people, artists and institutions from various disciplines of art. Main partners and supporters include but not limited to European Commission, European Cultural Foundation, Open Society Institute, British Council, Christensen Fund, Eurimages Fund, The Netherlands MATRA Programme, Goethe Institut, Heinrich Böll Stiftung, İstanbul Bilgi University, Consulate General of Sweden, Consulate General of Norway, Swiss Academy for Development, Prince Claus Fund, Istanbul French Cultural Centre.

Diyarbakır, you always have, or used to have, this feeling of suspicion: people are approaching you with hidden agendas... First, I was convinced. Later, we needed to convince the city.<sup>87</sup>

For the new coordinator of DSM, Ovgu Gokce, these prejudices are all eliminated throughout the years. As a branch of Anadolu Kultur, DSM is now an important meeting point for the artists of the West and of the region but also an incubator of various local initiatives through ateliers in cinema, literature or theater.

We did not want to be an isolated institution confined to a small circle of artists. Our aim was to be a part of Diyarbakır. We work in close contact with the municipality. They are very supportive and collaborative. In Diyarbakır, you cannot reach people if you do not have a support from the DTP since the party has the trust and the support of the people of Diyarbakır (Bøe, 2011).

While the DSM constitutes an important link to the Istanbul-based art world, the main actor in producing and sustaining the conditions of an urban sphere centering on culture and cultural strategies has been the municipality. One of the first projects of the municipality in terms of cultural revival in the city was the Culture and Arts Festivals, organized from the year 2001 onwards. Concerts, theatres, poetry readings, movies and other activities have attracted people from all around the region. The mayor, Osman Baydemir, continuously put emphasis on the “central role of Diyarbakır in the Middle East” as an important centre of art and culture. In his words

Diyarbakır has become the “brand city” of art and culture. Today, artists from Istanbul, Izmir, Athens, and Tiflis to Van, Kobani, Duhok and Suleymaniye have turned their faces towards Diyarbakır. It has become a privilege for these artists to meet the people of Diyarbakır in our festivals.<sup>88</sup>

The aim was to transform Diyarbakır into the “Paris of the East” and “the cultural and artistic capital city of the Middle East” through creating strong links with supranational communities such as Europe.<sup>89</sup> Europe constitutes a threshold to be attained in terms of the urban standards and the vision, but also a financial resource for the municipality. Although many projects were put in limbo due to bureaucratic problems by the central government, Diyarbakır ranks the third among the greater municipalities in attracting grants and funding from foreign resources (TUIK, 2006).

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<sup>87</sup> Interview in Diyarbakır, September 2007.

<sup>88</sup> From his speech in the opening ceremony of the festival in 2008.

<sup>89</sup> See the municipality’s page, <http://www.diyarbakir-bld.gov.tr/>

In 2005, the Gazi Avenue rehabilitation program was funded by European Union Commission with 650,000 Euros whereas 40,000 Euros was given to municipality for developing a Kurdish oral literature project by the same institution (Watts, 2010: 80).

The trajectory of the city sketched in line with the promotion of culture and cultural strategies is actually situated in a broader symbolic politics through which pro-Kurdish municipalities attempt to traverse the official state historiography in urban spaces. Renaming parks and streets, and re/signifying them in an anti-colonial struggle and human rights discourse (Jongerden, 2009); municipal use and promotion of Kurdish language in official settings, which re-established the municipalities' relations with the people and pushed the boundaries of the "one-nation" project of the Turkish state (Watts, 2010); reclaiming geographies through creating commemoration areas and cultural heritage projects, which can be seen as translating Kurdishness and the Kurds' local demands into universalism (Gambetti, 2009) all served to the symbolic politics of the municipalities run by pro-Kurdish party, DTP. The construction of various social complexes and centers, festivals and cultural events aimed to create a common identity and a feeling of belonging to the city among Kurdish migrants (Gambetti, 2009).

Diyarbakır became the centre and the emblem of this symbolic politics. The city held a historical significance as the informal capital of Kurdistan, but it was also a metropolitan municipality accorded with increased material resources. Compared to other Kurdish cities such as Batman or Hakkari, which had \$23 million and \$27 million respectively, the Diyarbakır Metropolitan Municipality saw \$215 million worth of local revenue in 2006 (TÜİK, 2006). Moreover, in a very short period, the municipality became the most powerful employer in the city. Management of employees offered vastly expanded opportunities for building support for the party and the movement through the distribution of resources among supporters and constituents (Watts, 2010: 80). In 2006, \$55 million was spent for personal expenditure; the municipality was employing 4499 people, of these 2470 were temporary workers (TUIK, 2006).

In this pro-cultural environment marked by the "competing governmentality" of the DTP to that of the Turkish state and the symbolic politics of reclaiming the urban space, the entrepreneurial circles of Diyarbakır are rather excluded from the political

and cultural networks created by NGOs and the municipality. Even, Diyarbakır office of GAP-Gidem – a EU sponsored institution established to give consultancy services to the local entrepreneurs – felt the necessity to work like a “civil society organization”.<sup>90</sup> The coordinator of GAP-Gidem-Diyarbakır states that the rehabilitation of the local business structure is strictly related to the rehabilitation of the social structure in Diyarbakır. Child labour, erosion of the agricultural production due to village evacuations and neoliberal policies, stabilized poverty and unemployment in the city centre forced Diyarbakır GAP-Gidem to deal with the problem of “underdevelopment” through a more “integrated” perspective, which also included the “social problems” of the city.

With the decreasing tide of conflict, we started noticing the effects of the latter. Actually we were also living in an environment resulting from these conflicts. In the late 1990s, there were innumerable street kids. There were people who were deprived of their lands and villages. We faced poverty in a form and intensity, which pushed the limits of our imagination. Under these circumstances, we [GAP-Gidem] couldn't have put our efforts in developing the local entrepreneurialism. We had no option but to work in collaboration with the civil society organizations and the municipality against the poverty in Diyarbakır.<sup>91</sup>

#### **4.2.1. Businessmen Associations and the Chamber: Businessmen who “strive to make a difference”**

Diyarbakır's economy is mainly dependent on agriculture and trade. Diyarbakır OSB, which was established in 1996 (after Mardin's OSB was established in 1992), houses more than 100 factories and employs 3.5% of the population. Despite the low level of industrialisation, Diyarbakır still ranks third regarding the share of the workforce in manufacturing industries, after Gaziantep (21%) and Adıyaman (4.8%). (DTP, 2000) The Chamber of Commerce and Industry of Diyarbakır (DTSO) is mainly the representative of the business people in construction sector, food wholesaling and transportation. Raif Türk, the president of DİSİAD (*Diyarbakır Sanayici ve İşadamları Derneği* – Industrialists and Businessmen Association of Diyarbakır) is among the few businessmen who did not lose his faith in industry. He asserts full

<sup>90</sup> Sustainable Development Plan envisages the promotion of local entrepreneurship and industrial development for economic viability through Entrepreneur Support and Guidance Centres, GAP-Gidems. Founded in 1996 and mostly supported by EU grants, GAP-Gidems aim to provide consultancy services to local entrepreneurs in the GAP area in interaction with chambers of commerce and industry and businessmen associations. See, <http://www.gap.gov.tr/English/gidem.html>.

<sup>91</sup> Interview in Diyarbakır with Nurcan Baysal, coordinator of GAP-Gidem. September 2007.

dedication to the ideal that Diyarbakır's development will be through industrial development. He states that DİSİAD is an important agent, an “agenda-setter”, which gives voice to the demands of local entrepreneurs at the national level. DISIAD, founded in 1996 is the sole institution, which attempts to bring manufacturing and industrial production into the agenda of local business circles. GÜNSİAD (*Güneydoğulu İşadamları Derneği* –Businessmen of the Southeast Association), and DOGUNSIFED (*Doğu ve Güneydoğu Sanayici ve İşadamları Federasyonu* - Federation of Eastern and Southeastern Industrialists and Business Association) are regional business associations and confederations, which actively involve in the creation of a regional economic network to stimulate the economic transactions between cities in the region and the neighboring countries.

GUNSIAD, founded in 1992, aimed to establish an independent umbrella organization to represent the “extraordinary” conditions of the city. “Chambers were operating like state organizations,” one of the founders said. “This is why we wanted to establish an institution, which could translate the economic problems of the region to state institutions, attract attention to the underdevelopment and make lobbying for the development of economy in cities of the region.” GUNSIAD had prepared annual reports including the “local analysis” of the economy in the region and the suggestions by the local entrepreneurs. These reports were shared with the governments, TOBB, TUSIAD and many other institutions. Although GUNSIAD is a regional organization bringing together the representatives of nine provinces, the organization is based in Diyarbakır and plays an important role in the local economy.

In an economy ravaged by the civil war, business life is constituted upon the concepts of “social responsibility,” “self-sacrifice,” and “debt.” Businessmen including a very small group of powerless industrialists and a relatively stronger group of commercial capitalists mainly in service, construction and food wholesaling sectors try to *justify* their presence in a city that is mostly fronted by the political and intellectual local elites. For many entrepreneurs, staying in Diyarbakır means paying their “debts” to the city and to its inhabitants. Rıfat Ersöz lived in İstanbul and Ankara for many years during his education. He returned to Diyarbakır in the late 1990s and now runs one of biggest companies in Diyarbakır.

A businessman is not a person who has factories or who runs a business. Businessman carries a social responsibility to his city, to the people living in his city. Businessman should contribute to his environment; he should create value in his city. These responsibilities are more important than earning more.<sup>92</sup>

Businessmen frequently mention emotional and local attachments to Diyarbakır worded as “to create employment opportunities for the local people” and “to contribute to the local economy of Diyarbakır”. Some of them emphasize the difficulties of doing business in Diyarbakır and state that they “strive to make a difference” in the city by staying and continuing to invest in the city. Under the “extraordinary conditions of the region,” staying in Diyarbakır and making investments become a form of “self-sacrifice” and “paying their debts” to the city and the region. A businessmen defines it as a form of “struggle”:

Our aim is to be an example for Diyarbakır. We are continuing this struggle for 24-25 years. Many businessmen escape to the West, we do the opposite. Until now, we made no investments in the West. All our investments are in this city.<sup>93</sup>

This particular interview was part of a series of interviews I made for the DISIAD journal, which aimed to give snapshots of the firms in Diyarbakır by singling out the successful examples. Abdullah Selam’s story was a success story, which started from a small stationary shop in Ofis neighborhood and turned into a successful firm in mining sector in only ten years, which exports to Europe and Middle East. Selam was very proud of his “extraordinary success,” and when I asked him about the difficulties of mining business, he started talking about local state institutions

I believe that the local governors of Diyarbakır have only political ideologies. In Diyarbakır, we have two politics. One is the politics of the municipalities, the other is the politics of local governorship. There are no collaborative investments, there is no dialogue between the institutions (...) The future of Diyarbakır depends on the collaboration between these two institutions (...) There are no two Diyarbakırs, there is only one (...) If aimed is the development of this region, local governments, the governorship and the municipalities should give their support to the businessmen. They have to communicate with the businessmen and ask their opinion. Until now, nobody communicated with us (...) We hear that the Prime Minister visits a city, then has meetings with the local businessmen. If the prime minister can meet the businessmen, then why

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<sup>92</sup> Interview in Diyarbakır, November 2009.

<sup>93</sup> Interview in Diyarbakır, November 2009.



can't a local governor do so? In order to animate foreign and local investments, local state officials should work a lot (...) *If I do not invest in Diyarbakır, I will not lose; Diyarbakır will lose.* But, if things do not change, I will have to move my investments to the Western cities like other businessmen. My call is to the local governor and the municipality: you should support and care for your people [businessmen].<sup>94</sup>

Although the businessmen were quite explicit in their criticisms against the state and the governments (Chapter 7), criticisms against the local state institutions were rarely implied in my interviews. For the article in DISIAD's journal, I wrote a summary of our interview with SY, omitted most of his harsh criticisms against the local state institutions, yet added his call to the municipality and local governorship for supporting the local businessmen in the end of the article. I was curious how he and other businessmen would react to this explicit articulation of the disaccord of interests with the local state institutions. The article was sent to Selam for his approval. Next day, Selam called me and told me to delete this last sentence. "I do not want anyone to read this," he said. "I do not want the governorship or municipality officials to think that I criticize them."<sup>95</sup> The article was published without the last sentence.

#### **4.2.2. From Intercity Competition to Intra-City Competition**

The tacit tension between business circles and political elites of the city became visible, following İlker Başbuğ's visit to Diyarbakır in 2008.<sup>96</sup> Başbuğ's meeting with 20 civil society organizations in Diyarbakır including SIADs, DSTO, economic confederations and craft associations such as Journalists Association and Pharmacists Association received stern attacks from DTP MPs (member of parliaments), especially from Diyarbakır deputy Akın Birdal and Siirt deputy Hasip Kaplan. Although their criticisms were directed to Başbuğ's press conference and his usage of the word "*hemşeri*" (co-local), business circles also had their share from the

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<sup>94</sup> Interview in Diyarbakır, June 2007.

<sup>95</sup> Personal Communication in Diyarbakır, June 2007.

<sup>96</sup> As a matter of fact, the businessmen had also been at the centre of criticisms in 2006. Following the incidents of 28-31 March 2006, GUNSIAD, GUNGIAD, DISIAD noted that the consequences of these incidents on Diyarbakır's economy would be severe and persistent. He said that national and international investments to the city were cancelled by the investors and left in limbo. He was harshly criticized of ignoring the miserable outcomes of the incidents (the loss of 10 people during the conflicts) and pointing out only economic dimensions. In a similar vein, one of the former vice presidents of GÜNİSIAD states that he is very much disturbed by the "image of Diyarbakır as a centre of chaos and disorder" yet complains of not being able to express this freely.

criticisms. Hasip Kaplan harshly criticised the organizations that participated to the meeting. In his words,

If in a city like Diyarbakır, the biggest city in the Southeast, they [Başbuğ and his delegation] ignore the local representatives of the people, then this visit has no significance at all. They also do not arrange meetings with the Diyarbakır Bar or human rights associations that are the most responsive groups to the problems of our region. Left is business circles counting on state auctions, supporters of JDP, Islamist capital and the capitalists that are selected and sent to Diyarbakır by the JDP government. (Radikal, 2008)

First reaction was from Raif Türk, the president of DISIAD, who emphasized the importance of SIADs in transmitting the economic demands of the region concerning solution to poverty, migration and Kurdish question to governments and other state institutions. More importantly, he claimed that businessmen organizations in Diyarbakır have no political intentions or relations with parties or political centres. Later, eleven associations made a press release and expressed their worries regarding the statements of Akın Birdal and Hasip Kaplan. In their press release, they emphasized the importance of “dialogue” for providing solutions to the problems of the region such as poverty, unemployment and Kurdish question. They also stated that in their meeting with Başbuğ, as civil society organizations responsive to the problems of the region, they highlighted the necessity of economic development and the elimination of regional disparities, the efficient operation of democracy and democratic institutions, the protection of human rights and the rule of law in Turkey that is on its way to European Union. In their press release, business associations again put emphasis on the “difficulties of business life in the region”:

For years, members and presidents of these associations work too hard to bring an end to the poverty and unemployment in the region. *These people whose total investment remains in the region, struggle to survive while they put their whole life at risk.* (Zaman, 2008)<sup>97</sup>

Defining investment as “self-sacrifice”, “paying debts to the city,” “contribution to the local economy,” which conquered my interviews in Diyarbakır was an attempt by

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<sup>97</sup> These associations are: Diyarbakır Ticaret ve Sanayi Odası (DTSO), Diyarbakır Ticaret Borsası (DTB), Diyarbakır Esnaf ve Sanatkarlar Odaları Birliği (DESOP), Diyarbakır Eczacılar Odası (DEO), Doğu ve Güneydoğu Sanayici ve İşadamları Federasyonu (DOGÜNSİFED), Diyarbakır Sanayici ve İşadamları Derneği (DİSİAD), Güneydoğu Sanayici ve İşadamları Derneği (GÜNSİAD), Güneydoğu Girişimci İşadamları Derneği (GGİD), Diyarbakır Girişimci İşadamları Derneği (DGİD), Diyarbakır İş Kadınları Derneği (DİKAD) ve Diyarbakır Organize Sanayi İşadamları Derneği (DOSİD).

the local businessmen to *justify* their presence in Diyarbakır, and to situate themselves in not only the discourse of “serving the nation” but also in the discourse of municipality and Kurdish movement that takes its cue from an economy of sacrifice, martyrdom and costs of the war. Continuously repeating that they “put their life under risk,” and “carry on a struggle,” under “extraordinary conditions” and in “very difficult situations” the businessmen on the one hand remind the municipality that they also experienced the costs of the war by staying in Diyarbakır, “paid their debts” through investments, and have patriotic sentiments because contribute to the city, mostly inhabited by Kurds. On the other hand, they also situate themselves in the grand narrative of “serving the nation” as they continuously put emphasis on the integrity of Turkey and the necessity of state-led economic development despite their explicit critical stances against the state (see chapter 7). In the local politics, local *investment* is both a form of self-sacrifice and a source of power for the businessmen, which is epitomized in the sentence of SY: “*If I do not invest in Diyarbakır, I will not lose; Diyarbakır will lose. But, if things do not change, I will have to move my investments to the Western cities like other businessmen*”.<sup>98</sup> Given the poverty of the city, this recurrent argument is a way of staking their claim on the city and their attempt to give direction to the trajectory of the city under neoliberal policies.

After 2010, the relations between business circles and the municipality went through a second phase, which can be characterized by reconciliation and settlement. In 2010, Raif Türk’s, the president of DISIAD, marble quarry in Diyarbakır was set into fire by PKK guerillas along with Turk’s marble machinery. This was a response to Turk’s statement in a public TV channel and in various local gatherings in Diyarbakır that he will vote positive in 2010 constitutional referendum despite the call by the Kurdish movement for a boycott.<sup>99</sup> Raif Turk and the attack on his marble quarry found

<sup>98</sup> Interview in Diyarbakır, November 2007.

<sup>99</sup> On 12 September 2010, JDP initiated a constitutional referendum on a number of changes to the 1982 constitution prepared by the military junta. The changes, JDP argued, aimed at bringing the constitution with compliance with EU standards and dismantling the militarist character of the political regime. The changes were proposed as a “confrontation with the 1982 military coup” and a brave step towards the democratization of Turkey by JDP. The referendum fueled a polarized competition between the parties. Main opposition parties, MHP and CHP were against the constitutional amendments. CHP argued that the amendments were against the principle of division of powers and run the risk of creation of a judiciary mechanism that is entirely dependent on the government, namely JDP. Similarly MHP argued that the reforms would serve the backdoor intentions of JDP to create a sectarian judiciary. Many Leftist groups opposed the amendments as they argue that the confrontation with the military rule is confined to a stylistic part of the reform program as the backbone of the latter was composed of reforms aimed at facilitating neoliberal reforms as they envisaged the concentration

widespread coverage in the national media. Turk stated that due to the threads, he closed down another marble quarry in Bingol “despite the unemployment in the region.” He emphasized, “local businessmen would invest in the region even taking the risks of domestic and foreign indebtedness and bankruptcy if a democratic and secure regime is established.” Short after the coverage of this attack by the national newspapers, the mayor of Diyarbakır, Osman Baydemir made a public statement claiming that he finds the attack “unacceptable” as it harms the image of Diyarbakır in the eyes of “investors”.

They either set the machinery of *municipality* to fire or attacked a marble quarry of one of *our* businessmen. I see no difference. In every occasion, we invite investors and tell them “Invest in Diyarbakır, Diyarbakır is a *secure* city.” Now what I am supposed to say? For this reason, I find this attack unacceptable. It is not acceptable on any ground. I do not accept it at all (Radikal, 2010).

### **4.3 Recapitulation**

As many authors argue, the outcomes of neoliberal restructuring are not monolithic; they vary along geographies, time periods, local, national or regional economic structures. Thus, it is often claimed that neoliberalism exists in historically and geographically contingent forms (Peck and Tickell, 2002: 36). This chapter aimed to discuss two cases of locality formation in the uneven and fragmented geography of neoliberal Turkey. The localization of neoliberal policies take different paths, empower different groups and emerge out of various reconfigurations of interests in urban economies. The downscaling of the state may well serve to the empowerment of local state officials according them with necessary resources to challenge the central governments as well as the local economic elites in urban economies whereas it may also lead to their weakening against the pressures from local business groups and their submission to the latter. In this sense, the form and the path of “scale politics of locality formation” is highly dependent on the wider political fields and the broader political context within which local actors act and the discourses to which they speak.

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of powers within the hands of government. Kurdish movement publicly announced that they will boycott the referendum. The results showed the majority supported the constitutional amendments, with 58% in favour and 42% against. In many Kurdish cities, the participation to the referendum was quite low.

In the case of Gaziantep, the articulation to neoliberal policies was mainly led through the business class by first establishing a “collective mind”, a local rule regime, which is defined on the sole aim of increasing the economic efficiency of the city. The division of the local industrialists and the foundation of the Chamber of Industry (GSO) in 1989 coincided with the establishment of Gaziantep Greater Municipality with a new mayor, Celal Dogan, who sketched the future of Gaziantep in line with the industrialists of the city. The local rule regime was exclusionary in the sense that it was confined to the interests of local business circles. The *efficient* development of Gaziantep through industrialization and manufacturing still takes its toll on the poor segments of the urban population who work under precarious conditions and quite flexible union regimes.

During the 1990s, through creating links with the TOBB, an umbrella organization at the national level, the businessmen of Gaziantep not only strategically positioned their city in institutional networks (such the foundation of EU Information Offices) but also constructed an image of the city as a safe haven for investments on the shore of a chaotic and unsafe geography. The growing Islamist bourgeoisie expanded the export umbrella of the city by mobilizing many Islamist networks, such as Gulen community. The rule of JDP or the growing power of Islamist groups in the urban economy did not constitute a radical rupture in the local rule regime, but reinforced it. Many representatives of GSO and GTO incorporated into JDP cadres or developed close relations with the MUSIAD-Gaziantep. The perpetuation of the local rule regime depends on a form of collective identification, which is usually defined as the “Gaziantep nationalism.” Many businessmen built their narrative upon this fragmented form of Turkishness, characterized by making investments to the city [perceived as their homeland/*memleket*].” Such a strong local identity can be taken as a response to the intensifying interlocal competition between cities, and “existential the deterritorialization” that this zero-sum-competition impose upon cities, yet it is also based on a form of mimicry of the troubled relation between Turkish nationalism and the functioning of the market. This locally produced discourse speaking to the Turkish nation, “economic activity [investment] for serving the nation [homeland]” brings the patriotic local business circles of Gaziantep and the newly emerged Islamist bourgeoisie on a common ground.

In Diyarbakır, the downscaling of the state has accorded the municipality with the necessary legal and economic resources to employ a competing governmentality to that of the Turkish state through a symbolic politics based Kurdish identity. Fronted by the political and intellectual elites of the city, this symbolic politics evolved into a wider political and economic project: becoming a brand city of art and culture in the Middle East. The networks of Kurdish Diaspora in Europe as well as the creation of interregional intellectual and cultural networks helped the municipality to attract attention at the international and national level. Given the weakness of the urban entrepreneurial groups and the suspicious attitude of both the Kurdish movement and the Turkish state towards them (Chapter 6), neither local business organizations at the local level such as DISIAD and DTSO nor regional businessmen confederations such as DOGUNSIFED and GUNSIAD could secure a dominant position in the urban economy and a dependable relation with the central governments. Highlighting the economic underdevelopment of their city by employing a developmentalist discourse, these institutions reproduced the basic premises of a state-led industrialism, which clearly found no basis in the post-industrial discourse of the 1990s and 2000s.

In their tense relation with the local state institutions, businessmen emphasized a local identity of *Diyarbakırlı*, which is also partly defined through making investments in the city. In their narratives, making local investments under “extreme conditions” and in an “extraordinary economy” is a form of self-sacrifice, which situate them not only within the discourse of “serving the Nation” but also within the local discourse of municipality and Kurdish movement that takes its cue from an economy of sacrifice, martyrdom and costs of the war. Continuously employed by the businessmen, “investment-as-self-sacrifice” aims to prove the Kurdish movement and the municipalities that they also paid the costs of the war. It is a way of “claiming Diyarbakır”, and their efforts to give direction to the trajectory of the city under neoliberal policies. Yet, in the last 1-2 years, the discord between the local political elites and the economic elites was dissolved through the necessity of attracting investments to the city. As will be discussed in Chapter 9, businessmen became partners with the local state officials in determining the cultural trajectory of the city.

The dismantlement of the modernist planning did not dissolve the hierarchy of localities assessed on the basis of a repertoire of highly modernist tools. High

modernism of the ISI era has found a new home in the ideology of free market, which rests on a confident ignorance of the immensely complex working of localities. This confident ignorance is deeply rooted in state's discourse and perception of localities, which erases the local dynamics shaping the trajectories of cities under neoliberal demands and brings localities together under symbolically loaded criterion such as investment or availability for investment. This perception of localities and their assessments through the capacity and ability in attracting foreign investments emerges out of in the politico-economic space of the post-1980 Turkey (Chapter 2). Attracting investment or competitiveness as a measure of the qualification of localities as authoritative, powerful, passive or insecure clearly shapes their future and redefines the struggles within the local politics. As Lovering (1999: 389) argues

The choice invoked by the concept of competitiveness is not simply between favoring different industries and firms, but also about deciding between different groups of workers, different social structures, and different national economic geographies. It is no less than a choice between different visions of the collective economic and cultural future.

I will discuss the ways in which the future of localities is shaped through interventions to materiality of the cities in Part III. Next part, however, will make a twist, and take the reader back to the foundation of the republic and the national economy. It will mainly discuss the continuities between the politico-economic space of the liberal market and the politico-economic space of war in southeast Anatolia.

## PART II “WHOM ARE YOU DANCING WITH?”

### WEALTH, WAR AND GEOGRAPHIES OF GOVERNING THE TALE OF SOUTHEAST ANATOLIA IN A GLOBAL WORLD

“They asked to the richest person in the world: When did you accumulate most? He said: *During the war times.*”<sup>100</sup>

Izzet Kara is a 56 years old businessman who was born in Diyarbakir into a large farmer family. I met him in his new textile factory in Diyarbakir, which is now run by his son. After primary school, Kara could not continue his education and started to help his family in their farm. When he was 14, as he was bored of village life, he decided to go to Iron Factory in Iskenderun, a city 500 km away from his hometown. In Iskenderun he worked for the labor union helping to register the Kurdish migrants who cannot speak/write Turkish. Four years later, he returned to his village and shifted in between different professions at a dazzling speed. He worked in cotton fields, in construction sector, in transportation. During this time, he was actively involved in politics and worked voluntarily for leftist associations, which were quite strong during the late 1970s in southeast Turkey. The military coup in 1980 gave an end to his political affiliations. Some of his friends escaped abroad, some of them joined the armed forces of the PKK and the others were imprisoned. And Kara fell into ‘an abyss of alcohol and pleasure.’ After the death of his father in 1982, he went back to his village and became the *muhtar* of the village. In 1988, Izzet Kara started his business career. Having close contacts and good relations with the Emergency Rule Governor of Mardin, Aykut Ozan (1988-1990), he rented the state-owned flour factory in Mardin.

In the early 1990s, I earned a lot from my business and transferred the profit into other investments. In ten years, my flour factory grew into an empire of 6 factories in textile and food sectors. My name became a brand, people started to talk about my successes. In ten years I became the most important investor in the region.

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<sup>100</sup> Interview in Diyarbakir, July 2010.



But, before you were talking about the difficulties of doing business in the region. How, then, could your business grow this much in ten years?  
Let me explain... Think of a tree. You take a sapling and plant it. You give water to it for another 6-7 years. Then, this sapling grows into a tree, which cannot be knocked down. Its shadow becomes bigger. Animals, humans benefit from its shadow. Nature cherishes with its presence. This is how we grew.  
So, you worked hard and patiently?  
Yes, this is what I mean.

Izzet Kara was proud of his success, and he justified his business on the basis of his will to create employment and economic benefit for the region. For him, his business grew *naturally*, and provided employment and economic opportunities for the region. He started his ‘success story’ throughout his childhood, insistently emphasizing how clever and alert he was and how easily he can adapt to different and difficult conditions. His business success story reified an acknowledged myth; the myth of Schumpeterian entrepreneur of the neoclassical economy, the “lone hero” who comes up with an innovative combination of resources and makes a fortune all alone. After a long conversation about the difficulties of living and doing business in the region due to the economic instability, scarce human resources and the atmosphere of violence and fear that intimidates foreign investments, I asked him again the same question.

I still do not understand how you managed to be a “brand name” given the difficulties of the region. How did you get through all these inconveniences?

Ok, you want me to be more explicit. Let me put it this way. I am war-rich. Ms. Seda, *they asked to the richest person in the world: When did you accumulate most? He said: During the war times...* In my country, there was war [he talks about the civil war between PKK and Turkish Army] and everybody was selling his properties, companies. I took the risks of the war and bought them. People wanted to escape, but I chose to stay and expand my business with the hope that someday the war would end. Yet, we never made such calculations about the end of the war.... There was also war in Iraq and I became one of the food providers for UN. During these years, I earned a lot. Can you imagine that I needed to rent another 10 factories to provide flour to Iraq? There was a significant financial potential in Iraqi market and today it still preserves and develops its potential.

This chapter aims to provide a further analysis of state-class relations in Southeast Turkey by adding a critical element into discussion: the civil war in Turkey. The war between the PKK and the Turkish army started in the early 1980s and still continues after more than 40.000 casualties in 30 years. As it is already mentioned, neoliberal

experience in Turkey has evolved in tandem with the rise of civil war during the 1980s and 1990s. This not only shaped the national economy at the macro level given the unsettled economic conditions of the 1990s but also created a terrain of ‘overlapping sovereignties’ in the region: Turkish army, PKK, Turkish state embodied in the local actors endowed with special authorities due to the Emergency Rule such as special governors of the state of emergency rule (OHAL), gendarme, *korucular* (village guards)<sup>101</sup>, and paramilitary forces such as JITEM<sup>102</sup>, and state-led or internationally financed NGOs. The life-worlds of businessmen as well as their business life are accordingly fashioned around these overlapping and conflicting sovereignties. The proliferation of the actors brings the question of the state sovereignty as well as the limits and boundaries of the markets into the analysis. The intermingling of the political and economic actors in the Kurdish region and their highly militarized character inevitably integrate violence into the functioning of the market by creating an economy of fear. This economy of fear is characterized by not only economic instability and unanticipated downturns but also economic developments and radical sparkles for the business actors. In this sense, the atmosphere of fear, violence, uncertainty and repression neither impeded the neoliberal restructuring of the economy and the state-society relations nor precluded the integration of the Kurdish region into the national and global economy.

As an “underdeveloped” region, the southeast Anatolia is symbolically constructed as a remote economic zone disconnected from the neoliberal economy and restructuring processes. In this symbolic order, the civil war is represented as an obstacle for the economic development of the region and its integration into the neoliberal economy. Two things are achieved with the articulation of this economic argument. First, as the Kurdish movement, Kurdish politicians and many academics in Turkey argue, with the help of this representation the human cost of the civil war, the socio-political evils and environmental destruction of the civil war are rendered invisible and reduced to an economic cost-benefit analysis. Second and more importantly, this

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<sup>101</sup> The status of village guards is officially defined and recognized in 1985 with the amendment of article 74 in Village Law. As an interim status as defined by the Law, village guards are proposed by the Governorship and approved by the Ministry of Internal Affairs. As of today, there exist 45.283 interim village guards and 20.204 voluntary village guards in Turkey. Helping the military forces in their operations against PKK, village guards are paid a monthly salary by the state. Their status became a highly controversial topic; since many of them were involved in smuggling, violent acts to populations, land usurpations. See chapter 6.

<sup>102</sup> Jandarma İstihbarat ve Terörle Mücadele/ Gendarmerie Intelligence and Fight against Terrorism.

representation overlooks the novel configurations of the relations between the market forces, political authorities, military and paramilitary organizations in the Kurdish region and typically represents them in terms of isolation, expulsion and disconnection. As Ferguson (1999: 242) writes

But the more fundamental point here is that the abjected, redlined spaces of decline and disinvestment in the contemporary global economy are as much a part of the geography of capitalism as the booming zones of enterprise and prosperity—they reveal less the outside of the system than its underbelly (cf. Castells 1998, 91). Expulsion and abandonment (in Smith's terms), disconnection and abjection (in my own), occur within capitalism, not outside it. They refer to processes through which global capitalism constitutes its categories of social and geographical membership and privilege by constructing and maintaining a category of absolute non-membership: a holding tank for those turned away at the "development" door; a residuum of the economically discarded, disallowed, and disconnected—to put it plainly, a global "second Class."

In this chapter I argue that civil war, its actors and institutional frameworks have rather *filtered* the neoliberal policies giving them *nuanced* forms that can only be understood in relation to militarism, ethnicity and authoritarian government techniques.

Charles Tilly, in his classical article “War making and State Making as Organized Crime” argues that war making is a central mechanism of state making. Through a historical analysis based on the works by Frederic Lane, Tilly claims: “war makes states”, and as important as that “banditry, piracy, gangland rivalry, policing and war making all belong on the same continuum.” (1985: 170) Following the line of thought of Hobbes and Machiavelli, Tilly argues that state sovereignty depends on the condition of organizing and monopolizing violence. This condition of “organized violence” makes war making (eliminating or neutralizing rivals outside the territories in which states have clear and continuous priority as wielders of force) a central and innate element of state making process (eliminating or neutralizing rivals inside the territories). The historical conditions glue the state formation processes to wars and war making process, yet it is also important to note the latter's ongoing formative role and presence in the neoliberal restructuring. A growing literature deals with the economic dimension of civil wars and ethnic conflicts since “war is not simply a breakdown in a particular system, but a way of creating an alternative system of profit, power and even protection.” (Keen, 1998: 11)

As deregulation and liberalization helped the armed forces to realize income from trans-border and international commercial relations in order to survive, globalization becomes another important factor, which influences the capacity of conflicting parties including rebels, states and shadow states to benefit from the war economy. (Kaldor, 1999: 9) As already noted by Mary Kaldor, ‘new wars’ of the 1990s should be contextualized within the political, economic and cultural globalization; they are local but also dependent on transnational connections. Contrary to the ‘old wars’ of the Cold War era, they have ‘fostered a war economy that is built upon plunder, black market transactions and external assistance and is sustained through continued violence’ and organized crime. (Arnson, 2005: 2) The literature on the political economy of civil war is significant in turning the self-justifying narrative of the economic liberalism on its head through exposing the relation between ethnic conflicts, civil wars and war on terror with the transnational economic order and the functioning of the world capitalist market. As Arnson argues: “economic motivations and greed have sustained and intensified internal armed conflict, and that a liberal international trading order has facilitated war profiteering by those trafficking in legal as well as illegal commodities.” (2005: 22)

The significance of such studies notwithstanding, the main concern of this chapter is rather a reconsideration of the state sovereignty in its relation to market, violence and war in the context of neoliberalism and overlapping sovereignties of multiple actors. The constitutive roles of the war making and state making in the neoliberal restructuring are neglected and understudied in the sociological as well as the ethnographic literature. Part of this problem comes from the contradictions of neoliberalism itself. “Neoliberal reform ‘arrives’ through state institutions yet as a commitment to dismantling the state in some respects.” (Greenhouse, 2010: 5) In her introduction to the *Ethnographies of Neoliberalism*, Carol J. Greenhouse defines the contradictions in neoliberalism not merely as conceptual paradoxes but also as practical ambiguities. For her, neoliberal restructuring and the production of globalization require extensive state action from the individual states. “Neoliberal reform as a *process* requires extensive state action through legislatures, courts, and, above all, through the executive branch.” (5-6) However, as previously argued, Greenhouse acknowledges that the role of the states in these processes is not well documented in the ethnographic literature. It is through the expansion of the executive

branch and the limitation of the regulatory power of the representative branch, the mechanism of governance is institutionalized in the neoliberal restructuring. In this respect, she situates the continuities between the legal order of neoliberalism and the legal innovations of the war on terror. One may add the civil war and ethnic conflict on the list. The legal formalism of deregulation and the planned lawlessness of privatization are the overlapping characteristics of the neoliberal restructuring and the civil war. “Taken together, deregulation and privatization restructure *government* around the executive branch, set over *society* as the mechanism of *governance*.” (6)

What may be the consequences of the civil war and different forms of violence on the economic activities of the region in general? How do/did they shape the life-worlds of the businessmen in Gaziantep and Diyarbakir in particular? What forms and modalities are created in wealth creation during the wartime? And how did this ‘space of ethics’ –that is built upon the witnessing of the war- alter the business classes’ relations to the state? Where do the belongings, affiliations, and desires of the businessmen lie? How does state sovereignty operate over populations in a region that is marked with ethnic conflicts, rebellions and civil war? What are the institutional instruments and frames that were employed as security concerns? How does neoliberalism operate under a ‘state of exception?’ Who are the actors of a market under this ‘state of exception?’

The civil war and its *economy of fear* have created a new space of power and wealth creation for certain segments of the business classes. This will be the initial assumption of this chapter. War as an *exceptional* moment in history has allowed the construction of different locales as authoritative and powerful whereas left the others as passive and insecure. In this way, it provided the conditions for certain agents to assemble specific forms of powers and strategies in the neoliberal era. However, it can also be argued that this phenomenon is not novel. Throughout the history of the Turkish Republic, war has served as the *rationale* of the injustices against the others. The ambivalent relation of the Turkish state and its explicit graduated sovereignty throughout the constitution of the new Republic has created a politico-moral space, a “space of ethics”, in which state has become the locus of inequality and violation of rights. War is mobilized as a legitimizing factor for these inequalities and violent acts. The idea of war as a dominant paradigm *temporalizes* the history of the Turkish

Republic in the constitution of the communities, selves and others, and the war itself has become an ‘empty signifier,’ ‘a moment of truth.’ It marks the lines of ‘before’ and ‘after’ in the temporal order of things and imposes certain economic and political necessities, as well as institutional and discursive categorization of different populations, which in return brings gradual and selective introduction of these populations into the market.

For the sake of clarity, I outline three moments, which will form the basic frame for the analysis of this chapter: (1) The military coup in September 12<sup>th</sup> of 1980 (2) the peak of the civil war between Turkish state and PKK in the mid 1990s and (3) the first and second military interventions of USA in Iraq. Each of these three moments and processes should be analyzed with its reference to capitalist restructuring processes and the state-class relations in Turkey. Chapter 5 will provide a historical account on the state-class relations in Turkey in general and in southeast Turkey in particular. How did the knowledge of a violent history marked with accumulation through dispossession, violence and inequality was appropriated, challenged and transmitted by the business people? And how does this knowledge transform and refine the relations of business people to state, their perceptions of the markets and business in general? In other words, how does the violence of the state materialized in a ‘common knowledge’ shape the positioning of these economic subjects within the market?

In *Neoliberalism as Exception: Mutations in Citizenship and Sovereignty*, Aihwa Ong traces the ways neoliberal exceptions to business and “free market” are reconfiguring and refashioning the relationships between governing and the governed, power and knowledge, and sovereignty and territoriality. Exploring the ways the neoliberal logic redefines the territory of citizenship and the structure of sovereignty for the smaller Asian states, Ong shows that it is through the flexibility in terms of sovereignty and citizenship the smaller states can manage their interactions with the global markets and regulatory institutions. This brings a redefinition of sovereignty that relies on “controlling and regulating populations in relationship to differentiated spaces of governance,” as well as a redefinition of the citizenship according to the marketable skills of the citizens rather than their membership within nation-states. The creation of zones of *exception* either in the form of terror and economic chaos or in the form of industrial oases and attraction zones brings the “fragmentation of the national space

into various noncontiguous zones,” and promotes “the differential regulation of populations who can be connected to or disconnected from global circuits of capital.” (Ong, 2006: 77)

As in the case of neoliberal restructuring, through the repositioning of different populations and geographies, state sovereignty in Turkey had always worked in a ‘graduated’ fashion through creating ‘exceptions’ over geographies and peoples, and this graduated sovereignty encompasses alliances of a variety of institutions and actors in the nation-state (such as bureaucracy, army, certain segments of business classes) that are interwoven in a complex web of power relations. What makes Ong’s approach valuable and interesting is her theoretical engagement with capitalist restructuring in non-Western contexts, specifically in East and South-East Asia where neoliberalism has not been the characteristic feature of the regimes of governing. Ong argues that neoliberalism is proposed as an *exception* – be it positive or negative – in sites of transformation where market driven calculations are being “introduced in the management of populations and the administration of special spaces.” (3-4) Following the footsteps of Foucault’s discussion on governmentality, Carl Schmitt’s mediations on the decisive character of sovereignty and Agamben’s reflections on the exclusive dimension of the decisive power of the sovereign, she argues that neoliberalism as exception refers not only to inclusion but also exclusion. In this sense, exception can refer to “a positive decision to include selected populations and spaces as targets of calculative choices and value orientation.” Neoliberal policies created new forms of inclusion that are spatially carved and exception as a political liminality that devises new forms of extraordinary political benefits and economic gain and it can be regarded as an intervention into “the logics of ruling and of being ruled.” (5)

When the relation between the state and the citizens is altered in light of neoliberal restructuring and resignification, this ambivalent concept of exception acquires a novel facet. Individuals with human capital or expertise as well as economic capital can loudly exercise citizenship claims in even spaces of chaos and conflicts. As will be discussed in the following pages, the businessmen in Gaziantep are louder in asking for their citizenship rights, the businessmen who migrated to Antep from other Kurdish cities claim that they became the citizens of Turkey after having migrated to Antep whereas Diyarbakirian businessmen are in-between being citizen and

'prospective citizens.' (Yeğen 2006) Neoliberalism as exception devalues and excludes those who do not have such tradable competence or potential. (Ong, 2006: 7) This explains the growing silence regarding the vast number of displaced immigrants who are working as invisible army of workforce in the informal or formal economies, in Turkey and in the local economies of Diyarbakir and Gaziantep.

Although she gives a powerful description of the ways through which these exceptions make the rule in the re-definition of the states roles in the global markets, Ong's analysis lacks a historical context and fails to show how this logic of graduated sovereignty works in and through certain modalities of economic morality and contexts of war and violence. Neoliberal policies are not only historically embedded into the institutional frames and the inequalities that they entail but also in a politico-moral space in which the perception and the representation of business and business people are overdetermined. In the case of Turkey and specifically southeast Anatolia, this politico-moral space is historically sketched through the state as the main perpetuator of inequalities and unjustified benefits. In this politico-moral space, institutional frames and reforms interrelate to political ideologies and entail assumptions about how the market should function and how deviations should be treated.

Gaziantep, as an exceptional case of industrial boom in southeast Turkey, has highly benefited from not only state subsidies before and after the neoliberal turn. Given the highly patriotic tendencies among the business elites, the 'Gaziantep model,' as promoted by the local business people, is not only a model of economic integration to the techniques of neoliberal governing but it also entails absorption into the hegemonic constellations of the official ideologies and nationalism. 'War' gives meaning to the city, yet the referred war is the Antep Resistance against French troops and Armenian populations in 1920. I will discuss how an image of a city is constructed upon an idea of 'resistance' and how business elites assemble different aspects of the resistance in defining their business stories in Chapter 8. However, here it should be noted that the 'civil war' and its consequences are totally missing from *their* picture of the contemporary Turkey and understanding of the war. In contrast, as an 'extended geography' of war and violence, my interviews with businessmen in Diyarbakir were strongly marked with stories of threats and fears, pessimisms and



anxieties. Yet all these negative feelings and narratives were in some cases accompanied with significant individual economic successes and leaps. Even in the narrativization of the success stories, the state emerged as an actor of ambivalence: a protector as well as a source of inequality, an encompassing entity as well as an exclusionary authority. Like Gaziantep, Diyarbakir was also within the cities of subsidy support (KOY), hence within the administrative area of state's spatial strategies devised within the frame of regional development.

Civil war can be considered as a constitutive paradigm for understanding the local economy of Diyarbakir. In a stark contrast to Gaziantep where most of the firms are established before 1980 and family businesses pass from one generation to the other, Diyarbakir is rather an unstable economy of young firms and investors. Similar to the story of BK, almost all of the leading business figures of Diyarbakir were dealing with commercial activities at a very small scale and/or they were active political figures during the late 1970s. While the civil war has provided Gaziantep with cheap labor force from the displaced and dispossessed Kurdish population and an investor class of migrant entrepreneurs from the Kurdish region – those who escaped from the region to a relatively more stable economy and business environment- it laid the basis of the business classes and emerging bourgeoisie in Diyarbakir.

All these stories in this chapter constitute the significant parts of the neoliberal exceptions and exceptions to neoliberalism in Turkey, a domain constitutive of the formation of the neoliberal restructuring and resignification. As important as that, they allow a terrain of discussion in which neoliberalism and its institutional frames in the forms of exceptions are embedded in hegemonic constellations of power and overdetermined by conflicting ideologies, political struggles and historical conditions. How they are embedded into each other and what kinds of subjects this interconnectedness produces will be the main conundrum of Part 2.

## 5. Historical Foundations: State, Sovereignty and Class in Southeast Anatolia

you know that death is an empty blue cage sometimes  
whatever language we use to translate pain now, would be a lie.

Didem Madak, *Letters to Pollyanna*.<sup>103</sup>

“As war becomes a widespread paradigm for understanding the demise of metaphors and historical institutions that once regulated societies, certain modes of appropriation and their associated figures of authority may render outposts enduring sites of certain kinds of welfare.” (Roitman, 1998: 320)

Southeast Anatolia has a contested history. Being home to different religious and ethnic communities including Armenians, Kurds, Turks, Arabs, Yezidis and Syriac Christians for centuries, the region has been subject to different regimes of power and control in the form of diverse settlement policies, which radically changed its social and economic demography. Various streams of displacement and replacement resulting from these settlement policies under the rule of the Ottoman Empire and the new Republic, and the successive hegemonic historiography of the latter, which devalued and denied the existence of any different ethnic and/or religious difference other than the dominant ethnic group – the Turks – have *extended* and *poeticized* the region. This geographical region, southeast region of Turkey, became part of a *poetic geography* for Armenians, Kurds and Assyrians who are expelled or forced to migrate to various parts of the world and continuously omitted and repressed in the official Turkish historiography.<sup>104</sup> The historical heterogeneity of the ethnic and religious composition of this poetic geography and the competing claims over it turns it into a

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<sup>103</sup> biliyorsun ölüm, mavi boş bir kafestir kimi zaman / acıyı hangi dile tercüme etsek şimdi yalan olur. Didem Madak, Pollyanna'ya Mektuplar. My translation.

<sup>104</sup> Here, the term ‘poetic geography’ refers to Michel de Certeau’s ‘second poetic geography’ in which people attach new signifiers to official names and plans of the city scape, which resonates with sentiments and feelings erased, denied or forbidden by the official historiographies and discourses. By poetizing a geography, people make the latter ‘liberated spaces that can be occupied’ (The Practice of Everyday Life). In this sense, with different names southeast Anatolia is situated within different semantic fields, each forcing its own history, sentiments of pain and loss as well as claims and political motives.

fluid territory that is hard to grasp at the discursive level – southeastern and eastern regions of Turkey are Kurdistan for the Kurds, yet it is, at a large extent, part of historical Armenia whereas it is called *Beth Nahrain* for the Assyrian populations. Moreover, on the part of Kurdish populations, Kurdistan is a motherland where the boundaries between four nation-states (Iraq, Turkey, Iran and Syria) do have very little significance. In the early years of the Republic, neighbor countries have been the home of many Kurdish families who escaped from the assimilatory and violent policies of the Turkish state. This created an extended feeling of belonging. With the words of a young businessman in Diyarbakır, many people in the city feel themselves as part of “an imagined land above the national boundaries”: they share a common culture but more importantly some of them have their relatives, work and bread on the other part of the border.<sup>105</sup>

These overlapping historical regions, Oktem (2011) argues, underline “the contested nature of both, as well as the futility of ethnogenetic claims on territory.” However, these overlapping historical regions have concrete political and economic implications at the national and international level. The unsolved debate on the Armenian genocide in the international arena, the continuing civil war between PKK and the Turkish Army, the growing tension between Syria and Turkey and the newly emerging discussion around “Kurdish Spring,” the emergence of Iraqi Kurdistan as an important regional zone of economic restructuring and a political interlocutor for Turkish government and society, all mark to the *extended* and *poetic* nature of the ‘southeast region’ – the shared history of the scattered populations either through settlement policies or migration– thus the incapacity of a state-centric approach to understand the dynamics of regional politics. Further, the *poesie* of the region conceals a history that is marked with wars, extreme forms of violence, assimilatory policies, deportations, and/or evacuations of populations as well as an economic history characterized by accumulation through dispossession and violence, and an economy of insecurity and plunder, which has put its mark on the present neoliberal restructuring processes.

In her study of Chad Basin of Congo, Roitman (1998, 2006) evokes the concept of garrison-entrepôt in order to explain the military-commercial nexus in Chad Basin.

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<sup>105</sup> Interview in Diyarbakır, September 2007.

The interconnectedness between the military and commercial domains corresponds to unregulated economic activities through international borders.<sup>106</sup> Accumulation through violence and illegal definitions of power are legitimized in the eyes of the traffickers as well as urban classes as it is embedded in a “rationality of illegality.” Roitman (1998) claims that this “rationality of illegality” is related to the *genealogy* of garrison-entrepôt: the institution of slavery, colonial determinations of the targets of regulation, and historical modes of producing wealth. (307) Political economy of the Chad Basin was built upon warfare for almost 500 years in which appropriation through plunders and slave raiding were constant and common strategies of accumulation. Through this genealogy of accumulation in Chad Basin, Roitman (1998) argues that the ways the exercise of authority over particular targets of wealth and methods of appropriating that wealth have been historically legitimated are significant to understand the present configuration of representations of the sources of wealth and economic transactions in the markets.

Under the decentralized Ottoman Empire, the southeast of today’s Turkey was an agricultural region; the economy was mainly built upon agricultural production and partly on artisanal crafts. Due to its central position regarding the commerce roots of the 1700s, wealth was both a land-bound and a travelling concept in the region. In southeast Turkey, border trade and smuggling of electronics, tobacco, small appliances, and petrol is still quite common. Especially in Diyarbakir, the local economy is almost based on contraband trade and contraband goods. In the late 1970s, when the border trade was not strictly banned and less regulated in Anatolian cities, Gaziantep was famous for its Japan Market of contraband goods coming from Syria. In Gaziantep, many businessmen admitted that the contraband trade with Syria was a source of wealth accumulation that laid the basis of the necessary accumulated capital channeled to industrial investments during the ISI policies.

In the following pages, I will rather focus on the ways the land-bound source of wealth was refigured through the institutional centralization efforts of the Ottoman Empire and the effects of the adaptation and adoption of an aggressive and exclusionary model of nationalism based on Turkishness. The ethnic tension in

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<sup>106</sup> These activities or garrison-entrepôt as a regulatory concept involve social mobility and economic redistribution, more over they are indispensable for the continuing enrichment of urban classes, thus for the production of rent and redistribution for the state. In this sense, in a paradoxical sense they enforce state sovereignty.

southeast Anatolia following the Land Reform in the mid-1850s escalated by the late 1890s, later combined with the fledging intellect of an exclusionary nationalism on Turkishness after Balkan Wars and reached a terrifying moment during the WWI – the disappearance of almost 1,5 million Armenians in Anatolia. The abandoned properties of the Christian populations led to a sudden and unjustified wealth-accumulation for the state and the Muslim populations in the region. In two decades (1915-1938), the social and economic structure of the poly-ethnic eastern provinces was dismantled through massacres (towards Armenians, Assyrians, and then Kurds) and the synchronized confiscation of the abandoned properties of the Christian populations. The confiscation of the Christian properties was legalized through various laws and amendments by the state whereas Kurdish rebellions were contained through the establishment of General Inspectorships (GI), and the institutionalization of special administrative zones.

### ***5.1 Wealth Creation through the Dispossession of Non-Muslims: An Economy of Abandonment (1915-1922)***

Under the Ottoman rule, southeast Anatolia was characterized by a weak centralization until the 1870s, its population was diverse in ethnicity, religious beliefs, and languages: nomadic, semi-nomadic and settled Kurdish tribes, an important number of Christian peasants in villages and craftsmen in cities, Turkmen and Kurdish derebeys (land of the valley) who rule the peasants under their territorial sovereignty and innumerable Circassian refugees who escaped from Russia and were waiting to be settled. The region's demographic and economic structure radically changed in the last 50 years of the Ottoman Empire – a dissolving Empire<sup>107</sup> that tries to build a more centralized administrative structure through a land reform in the region.

In his article, “The Silence of the Land,” Astourian (2011: 56-59) argues that in Eastern Anatolia the Armenian question is fully embedded in the agrarian question

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<sup>107</sup> The late years of the Ottoman Empire were the years of successive wars and attempts of modernization and centralization of the administrative structure of the Empire, which also redefined the state-citizen relations. (Üstel, 2011) These attempts, however, were hit by Balkan Wars in 1912 and 1913 that resulted in the loss of almost all Ottoman possessions in the Balkan Peninsula. A year later, short after the outbreak of the WWI, Ottoman government annulled its decision of neutrality and sided with Germany. The end of WWI resulted in an enormous land loss and human loss on the side of the Ottoman Empire and then led to its partition. In 1919, a war of independence started in Anatolian cities and Turkish Republic was founded in 1923, on the remnants of the Ottoman Empire, by Mustafa Kemal Atatürk, an Ottoman general. See also chapter 8.

and the attempts of the Ottoman state at modernizing and centralizing the empire. The relatively stable early nineteenth century order in eastern Anatolia under the Kurdish rule was replaced by chaos and ethnic conflicts resulting from attempts for greater centralization (through the Land Law of 1858), and sedentarization of indigenous nomadic populations and the resettlement of Muslim refugees.<sup>108</sup> (Astourian, 2011: 80-1) The ethnic tension between different groups grew with the increasing tide of usurpation of the lands of Christian populations, their illegal taxation by the Kurdish *agas* (landlords), unpunished murders or crimes against the Armenian populations in the rural areas of the southeast.<sup>109</sup> In the early 1890s, the formation of a paramilitary group, the Hamidieh<sup>110</sup> and the Armenian resistance organizations in the region charged the already tense relations between Armenian peasantry and Kurdish populations. Around 100.000 Armenian civilians were killed in the mid-1880s by Kurdish cavalry forces or the Hamidieh. The interethnic conflict due to the structural changes in the land was nurtured by the pan-Islamism of Abdulhamit II, which aimed “to mold the Muslims of the empire into a more coherent political unit within the hostile international system” (Bloxham, 2011: 261) at the expense of non-Muslim populations.

Pan-Islamism of Abdulhamit II was transformed into an aggressive ethnic nationalism based on Turkishness after the Young Turk’s seizure of power through a military coup on 23 January 1913. The military coup not only reinforced the administrative reformist tendencies but also anchored the idea that the dismantling empire could only survive as a nation state, that is to say an economically and politically homogenized entity (for the invention of the “population” in relation to political representation in the Ottoman Empire and the attempts for a homogenous population, see Dundar, 2001). Instead of a more inclusive territorial nationalism, the Young Turks had rather fostered a more aggressive one along the lines of an “organic nationalism” (Kedourie, 1993, for a discussion in the Ottoman case see Oktem, 2003). In effect, this

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<sup>108</sup> Between 1856 and 1878, approximately tens of thousands of Circassian refugees were settled in Eastern provinces such as Erzurum, Sivas, Diyarbakir, Aintab, Kilis and Iskenderun inhabited by Armenians, Kurdish and Turkish populations.

<sup>109</sup> The reports presented to the Armenian National Assembly in Istanbul between 1872-6 provide a detailed census of the ‘oppressive acts’ towards the Armenians. Land usurpation, illegal and forced taxation, arbitrary rule, unpunished robberies and murders are the common ‘oppressive acts’ named in the reports. The Circassian refugees, Kurdish, Avshar and Turkmen derebays are singled out as the perpetrators of these acts.

<sup>110</sup> a paramilitary organization of Kurdish cavalry units named after the Sultan. For detailed analysis, see Klein, 2011.

aggressive nationalism and its reflection in the ideal of creating a national economy can be traced back to the early 20<sup>th</sup> century. Following 1908, CUP government openly supported the foundation of “national” companies in urban economies, and enjoyed widespread support on the parts of the small merchants and business owners in Anatolian cities (Quataert, 1987: 21). In rural areas, the Empire was mostly oblivious to the oppressive acts and land usurpations against the Christian populations. The ebb and flow of this aggressive nationalist tendencies reached at its peak during the WWI when the governing party, Committee of Union and Progress, issued the Deportation Law in 1915, with the aim to expel “unreliable” Christian communities from endangered border regions due to security reasons.

The Deportation Law mainly targeted the purging of the Armenians from the Eastern provinces, but it resulted in a set of overlapping violent processes and generated a coherent and systematic extermination of the Armenians through mass executions, the “construction of an artificially created famine region” (Ungor, 2012), and the appropriation of the Armenian properties by the state. Within this process, Diyarbakir province stands out as an exceptional case in which the deportation law was mingled with the use of violence and looting at its extreme forms. Registered in archival works on the Armenian Genocide as the “Diyarbakir incident,” the destruction of Diyarbakir Armenians was organized by the wartime governor, Dr. Mehmet Resid in a tacit alliance with the Muslim notable families of the city.

Mehmet Resid<sup>111</sup> came to power in Diyarbakir on 25 March 1915. Right after coming to power, he organized a council consisting of many local notables of the city, *Committee of Inquiry*<sup>112</sup>, for the “solution of the Armenian question.” The council was headed by a member of Cemilpasazade family<sup>113</sup> – one of most rooted and powerful families of the city with strong ethnic affiliations to Kurdishness- and had a militia

<sup>111</sup> Resid Bey (Sangiray), Circassian (*Adige*) military doctor, replaced the governor Hamid Bey on 25 March 1915. Resid brought with him thirty mainly Circassian Special Organization operatives, such as Cerkez Harun, Cerkez Sakir, and Cerkez Aziz. These groups were joined in Diyarbakir by more troops released from the local prison. Until August, Resid and his special militia created a “reign of terror” in the city. (Ungor, 2012: 276-280) After the end of the war, he was put on trial for his involvement in the killings in 1919 in Istanbul, and later was sentenced to death. He escaped from the prison and committed suicide when he realized that he was going to be caught.

<sup>112</sup> The committee consisted of many notables of the city such as Colonel Cemilpasazada Mustafa Nuzhet Bey, deputy Pirincizade Aziz Feyzi, Majors Rusdu Bey and Yasinzade Sevki (Ekinci). Princizade family, Zazazade family and Yasinzade family had many members in the council. (See Ungor, 2012 for a full list)

<sup>113</sup> Cemilpasazade Nuzhet was later discharged from the commission and his duties as a mayor. He was replaced with Princzade Akif who was known to be a fervent CUP supporter.

unit at its disposal. There is no reliable data on the functioning of the council and their role in the massacres (although some of its members like Princcizade Akif and Mayor Rusdu were actively involved in the organization of the killings), but according to a German charity worker, The Committee of Inquiry served only “to eliminate the Armenian political parties” in the city (Ungor, 2012: 279). The Muslim political elites either gave consent to the killings through their reticence or were eliminated by the violent rule of Resid.<sup>114</sup> Dr. Resid’s “reign of terror” is known for a series of unsolved murders of bureaucratic elites who rejected to take part in the killings. One of the assassinations under his rule was Huseyin Nesimi Bey, head official of the district, Lice. Nesimi Bey’s son in his journals claims that unsolved murders and disappearances of the bureaucratic elite went hand in hand with a series of violent acts towards the Christian populations:

During the governorship of Resid Bey, in Diyarbekir there were many unsolved murders. The most important ones are Basra governor Ferit, landowner of Müntefek Bedi Nuri, head official of Lice Huseyin Nesimi, journalist İsmail Mestan. All these people were socialist or philanthropic people. With the Circassian gendarmes and the Kurdish militias formed by the members of Bedirhani, Milli, Karakeçili, it was impossible to conduct a deportation. This was a troop of plunder and slaughter. They could not conduct a deportation and turned it into a massacre. And the extermination of the bureaucratic cadre that could oppose to these slaughters and plunders was inevitable.” (Nesimi cited in Aktar, 2006: 94)

In two months, Resid eliminated every Christian element in the city. By the May, Diyarbekir’s entire Christian elite was imprisoned in the military prison where many died under torture. In the last week of May, 807 Christian notables who survived the tortures were handcuffed and put onto rafts under the pretext that they would be deported to Mosul. The rafts never arrived to Mosul, 807 notables were massacred by Resid’s militia within the control area of the Raman tribe around Batman, their valuables were looted and their bodies were thrown to Tigris. A week later, 674 Christians were slaughtered in the same way. In June, 1060 men and women were taken from their houses in the Armenian neighborhood Hancepek (today it is known

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<sup>114</sup> On the eve of WWI, the local politics of Diyarbekir was characterized by a fierce competition between the provincial elites over the local politics: the Cizrelizade, Ekinci, Yasinzade families, powerful Kurdish dynasties such as the Cemilpasazade, Princcizade and Zazazade as well as the Armenian families such as Tirpanjians or the Dikranians. Ungor and Polater (2011: 135) argue that the ethnic segmentation of the city and the economic competition between these ethnic groups were easily manipulated by the governor Resid and resulted in either their participation to the massacres or their oblivion.



as Hasirli neighborhood in Surici) and were escorted to the outside of the city. Few kilometers away from the Mardin Kapi, they were slaughtered with rifles, axes and swords. This time, local Kurdish villagers accompanied the militia in the slaughter (Ungor, 2012).

“Diyarbakir incident”, soon attracted extensive disapproval from the German government. German Embassy relayed reports on systematic attacks on Christian population by Resid and his cavalry forces and demanded Ottoman government to take preventive action. The telegraphs between and Talat Pasha, the interior minister of the Empire, and Resid Bey reveal the scope of the killings. In a telegraph sent on 12 July 1915, the interior minister warns Resid Bey for his extreme use of violence on the Armenian and other Christian populations and continues: “it is estimated that up to now some 2,000 persons have been killed in the massacres, and it is feared that, if no serious and decisive solution is found for this, the Muslim population of the surrounding provinces will rise up and massacre the entire population.” (Akçam, 2004: 208-212).

Resid was known to motivate not only his military forces but also the leaders of the Kurdish tribes into the massacres through monetary rewards. In the memories of a member of the Raman tribe, which inhabited the provinces of Diyarbakir, Siirt and Mardin, the intermingling of the violence and looting becomes apparent. Resid, who later was accused by the interior minister, Talat Pasa, of being a “killer” and a “thief”, offers half of the gold and the jewelry of the Armenians to the leaders of the Raman tribe:

I will give you convoy after convoy of Armenians... However much gold, money, jewelry, and valuable items they have with them, we will take it together. Your will bring them with kelek [floatation devices made of inflated animal skins] across the Tigris. When you arrive at a place where no one can see or hear, you will kill them all and throw the[ir bodies] in the Tigris. You will cut open their stomachs and fill them with rocks so that they won't float to the surface. All the possessions you find are for your people. Of the gold, money, and jewels, half of it is yours, the other half you will bring to me to give to the Red Crescent. But no one can hear or know about this secret. If this secret is ever revealed both you and I will be destroyed. (Akcam, 2004: 212)

Although Ottoman government attempted to frame such violent “incidents” as local and sporadic, the looting of the Armenian properties was quickly legalized under the

law of *Emval-i Metruke* (Abandoned Properties) in 1915. The consequence of this “exceptional incident”, (looting and confiscation), was transformed into a norm with a legal basis, namely *Emval-i Metruke* Law, that validates and legitimizes the massacres. Until the end of the war, the CUP government supervised the remnant properties of the Armenian populations through the introduction of the law of *Emval-i Metruke*, and basically all the immobile possessions by the Armenians (including land, houses, plantations, shops, factories, ateliers) were expropriated by the state (Akcem, 2008; Polatel, 2010). Through special state commissions Ottoman state collected detailed reports of Armenian properties from all over Anatolia, and then either liquidated these properties immediately or re-distributed them to the Muslim population in the region. In rural areas, Armenian villages and lands were distributed to Muslim refugees who escaped from Balkan wars and Russia or to Kurdish tribes that gave consent to the government as rewards for their loyalty (Polatel, 2010: 124) and sedentariness (Dundar, 2001).<sup>115</sup> In this way, the usurpation of Armenian land and properties since the 1850s was legalized, thus legitimized and the agrarian question was resolved in favor of the usurpers (Astourian, 2012: 81). In urban areas, deportation law and massacres have led to the transfer of houses, ateliers and factories to “honest Muslim entrepreneurs” (Akcem, 2008).

In Antep where the deportations of Armenians did not include violent attacks or massacres at massive scale, the deportations started in December 1915. It is known that the American missionary organizations, which were quite influential in the local social and economic life of the city also worked very actively for canceling the deportations. A prominent figure was an American missionary, Dr. Shepard who worked in the Antep Hospital from 1882 to his death in 1915. Dr. Shepard had very close contacts with the local governor, Cemil Pasa and succeeded in delaying the deportations for 5 months. The day after his death from typhus in 1915, first deportation took place in Antep. First wave of Armenians were deported to Aleppo on 19 December and through railway in much safer conditions compared to many other eastern cities. The deportees, as one of the American missionaries wrote, needed to

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<sup>115</sup> Polatel (2010) discusses the ambiguities in the *Emval-i Metruke* Law. Whereas some articles in the law indicated that these properties would be returned to their original owners and will be protected under the law, some other articles indicated that these possessions would be transferred to Muslim refugees. However, the dispossession of Armenians served as a resource of redistribution for the state: a redistributive mechanism, which also helped the empire to reconstitute its sovereignty in the eyes of the newcomers and the Kurdish populations.

pay “exorbitant sums” in order to be sent to Damascus rather than Deir ez-Zor, the “artificially created famine zone” in the Syrian desert.<sup>116</sup> The second deportation was organized by the executive committee of local Muslim notables of the city in July 1916. 15.000 Armenians were deported to Deir ez-Zor camps. Three members from the executive committee (Dabbağ Kimâzâde, Nuribeyoğlu Kadir and Hacıhalilzâde Zeki) went to Deir ez-Zor to make sure that the Armenians had indeed been put to death and would not return (Kevorkian, 2011: 608). The Armenians were not allowed to sell their real estate before the deportation. All were confiscated by the local administration.<sup>117</sup>

It is almost impossible to give an inventory of the Armenian properties in Diyarbakır and Gaziantep and to trace their ownership. The title register of the year 1915 is not still open to public. In 2006 when the title deed registers were being electronically transferred to archives and to the use of researchers, MGK put a reserve on the year 1915. This exception was justified on the basis of security reasons. MGK defined the public access to these records as a “threat to national security” and prohibited their examination by the researchers or any political authority. Yet, in Gaziantep, Armenians were quite active in the economic life of the city, and they owned many of the lodgings (*Han* in Turkish) that characterized the Ottoman Antep. Two quite famous lodgings, which are recently renovated and now at the center of the Antep municipality’s tourism agenda, *Kurkcü Hani* and *Millet Hani*, were owned by leading Armenian families of the Ottoman Antep (Kurkcuyan family and Ahcioglu Kesbar Kavrak respectively) (Güllü, 2010).

This transfer of capital, the accumulation through the dispossession of the Christian populations and the economy of plunder are historical forms of economic relationships that laid the basis of the national economy of the new nation state. While the Armenian massacres certainly signified a serious and violent rupture in the history of the late Ottoman Empire, the new-born Republic that was founded in 1923 after the overthrow of the Sultanate in Istanbul continued on the ideal of creating a mono-ethnic and mono-religious homeland (Canefe, 2002; Oktem, 2004), and a national

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<sup>116</sup> During the deportations, hundreds of thousand Armenians from eastern provinces were forced to death marches to Deir ez-Zor camps and most of them lost their lives due to starvation and dehydration in the Deir ez-Zor desert. (Kevorkian, 2011).

<sup>117</sup> A few years later, Antep Armenians returned to the region following the French occupation of Aleppo, Antep, Maras and Urfa. Please see Chapter 8.

economy based on Turkishness (Toprak, 1982). After the constitution of the new Republic, the “cosmopolitan” Ottoman Empire was quickly transformed into a homogenized nation-state. The non-Muslim bourgeoisie, which started to dwindle during the last decades of the empire eroded in the very early years of the Republic. Ottoman Arab Christians joined the emerging Arab national movements whereas an important part of Ottoman Jews migrated to Jerusalem or to Europe (Göçek, 1996: 140).

### ***5.2 Building the National Economy of the New Republic (1922 - 1940)***

During the 1920s, the new Republic’s economy was severely handicapped by the wartime flight of human capital and the loss of financial capital as well as the heavy war debt that had been inherited from the Ottoman government. Before the WWI, non-Muslim minorities were holding approximately 85 percent of labor force in agricultural production and the manufacturing. (Nas, 2008: 9) The Emval-i Metruke laws created a sudden accumulation of wealth for many Muslim merchants. The “national merchant” rising out this process of accumulation through dispossession was left without any competitors because between 1915 and 1925 the non-Muslim bourgeoisie was totally vaporized either through the Armenian killings and deportation in 1915 or the population exchange between The Turkish and Greek governments in the economically significant cities of Anatolia such as Samsun, Trabzon, Erzurum, Diyarbakir, Adana, and Antep (Aktar 2006: 49).

New political elites of the Republic employed a strongly protectionist economic policy, which included not only the commercialization of agriculture and increasing its productivity but also stimulation of industrial development through state subsidies, namely *Teşvik-i Sanayi Kanunu* (The Law to Promote Industry) issued in 1927. The direct intervention of the Republican elites in the accumulation in private sector resulted in a “hesitant” and “weak” bourgeois class that is highly dependent on its relations with the state. For Bugra (1995: 81), this dependency is grounded on the loose legality and legitimacy of the newly fledging “national” bourgeoisie: their so-called successes in the national economy hinged on the dispossession and the displacement of the Christians.<sup>118</sup> Through rewarding and penalizing mechanism,

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<sup>118</sup> Similarly, giving references to a report about the newly emerging national bourgeoisie of Turkish Republic prepared by the English ambassador George Clark, Aktar (2006: 55) argues that the strong

republican elites had directly contributed to the accumulation in the private sector and designated the attributes of the ideal entrepreneur: the one who had a strong will and the capability to serve to the nation (Bugra 1995).

The Independence War had its toll on Gaziantep. Following the French occupation of the city after the end of WWI, the local Muslim population started a resistance against the French army and the Armenians who returned to the city after the defeat of the Ottoman Empire. Defined as a “catastrophe,” a “calamity,” a “great pain,” *Antep resistance* lasted for 10 months, resulted in 6000 casualties, ruined houses and a devastating famine, which increased the number of the casualties and losses. It was after the victory of the Ankara government and nationalist forces commanded by Mustafa Kemal against the occupying states that the French troops left Antep. Despite the toll of the resistance on the city, with the establishment of the Turkish Republic in 1923, Gaziantep adapted rather quickly to the rules of the new economic order and became an important regional centre in southeast Anatolia. From 1928 to 1932, the number of factories almost quadrupled. In the 1930s, with 36 factories benefiting from state incentives, Gaziantep ranked first in southeast and east Turkey (Pekdoğan, 1999).

The weaving industry and the processing of agricultural products developed in the 1930s and early 1940s with the help of state incentives provided within the framework of *Teşvik-i Sanayi Kanunu* (The Law to Promote Industry) (Özcan, 2000). The new bourgeois class of Antep was successful in attracting state resources, and combining them local resources inherited from their nonexistent rivals in the local economy, the Antep Armenians. In many interviews, when the business people were asked for the reasons behind Antep’s success, many mentioned, off-the-record, the role of Armenians in the city life. The acknowledgment of the Armenians as the owners of the crafts and trade in the Ottoman Antep was contextualized within the rich tradition of Antep artisanship that is maintained by the locals of Antep, that is the local Muslim Turks. Although it is extremely difficult to trace the exchange of Armenian properties in both cities due to the absence of the data on the register of title deeds, still the records of War Crime Tribunals that were established in Istanbul

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protectionist economic program of the Turkish state has led to an entrepreneurial inertia among the newly emerging Turkish businessmen. He argues that their dependency on the state and rather inertial attitudes should be explained in relation to the unjust wealth accumulated through the absence of Christian populations.

after the WWI indicate that many prominent figures of the southeast cities were on trial for embezzlement and illegal confiscation of the Armenian properties.<sup>119</sup>

In effect, the economic leap of Antep in the early years of the Republic is quite moderate compared to the bigger cities such as Adana, Izmir or Istanbul where the dispossession of the Christians were innumerable in size. Yet, this moderate economic leap constitutes a marked contrast when compared to the other eastern provinces such as Diyarbakir. In almost every interview, the businessmen of Diyarbakir started the economic history of the city with the industrial census of 1927. According to the industrial census of 1927, textile and mining were the leading sectors in the city, and Diyarbakır was the third silk producer following Istanbul and Bursa in young Turkey. In effect, these sectors (mining and textile) were highly dominated by Armenians in the Ottoman Diyarbekir. The famous silk factory of Tirpanjian family had been confiscated by Muftuzade Huseyin and Direkcizade Tahir in 1915, and they continued to exploit it during the first decades of the new Republic. Due to strong statism of the young Republic, state-owned bank, Etibank, took over the copper mining, which later turned into a profitable business for the state.<sup>120</sup> Families who gave active support to the Armenian massacres such as Ulug and Pirincizade had state subsidized factories mainly in textile and food sector. During the 1930s, Diyarbekir's chamber of commerce was chaired by Nedim Pirinccioğlu, a cousin of Aziz Feyzi who was at the front of the killings. All the members of the Diyarbakir stock market, which was established in March 1931 were CUP activists of the Ottoman era (Ungor and Polatel, 2011). However, even in the late 1930s, Diyarbakır had only eight industrial plants capitalizing on *Teşviki Sanayi Kanunu* (the law to promote industry) and plenty of small and medium-size ateliers carried on traditional methods of production (Dağ and Göktürk, 1993). This relatively slow response to the demands of the new national economic agenda can be explained by the turbulent period, which followed the rebellion of Sheik Said in 1925.

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<sup>119</sup> Arif Feyzi Prinçzade who was a deputy from Diyarbekir during the war years was suspect number 2743 in the warrant prepared by the British for the detainees in Malta. He had been assigned to the group implicated in the Genocide, and was to be charged as such. Subsequently he held the office of minister of public affairs from July 21, 1922 to October, 27, 1923. Ali Cenani Bey, the CUP deputy of Antep, was suspect number 2805. He had enriched himself from the spoils associated with the Genocide, and "In the English archives... a very dirty file exists on him." He was the minister of commerce between November 22, 1924 and May, 17 1926. (Akcem, 2004: 240).

<sup>120</sup> The yield was 24,000 tons, of which 16,000 tons were exported to Germany, the United Kingdom and the United States of America – generating up to US\$17 million. For a discussion see Ungor and Polatel, 2011: 159-160.

### ***5.3 Demarcating An Exceptional Geography: The Emergence of the Kurdish Issue***

The Sheik Said rebellion broke out in Dicle district of Diyarbakır in February 1925 and quickly spread over a large geography including the provinces of Diyarbakır, Mardin, Ergani, Dersim, Urfa, Muş, Siirt, Bitlis, Van and Hakkari. The rebellion was the culmination of the Kurdish resistance against the new Republican regime, which marginalized certain classes and segments within the Kurdish population. Turkish government immediately declared state of emergency in these cities and proclaimed the law of *Takrir-i Sukun* (The Maintenance of Order Law). The rebellion was suppressed in March, and Independence Tribunals were reinstated, one in Ankara, another in Diyarbakir. Many Kurdish intellectuals, elites and community leaders were arrested all around Anatolia and were sent to Diyarbakir for prosecution. The Diyarbakir court prosecuted a total of 5010 people, of whom 2779 were acquitted and 465 were sentenced to the death penalty including the Sheikh and his forty-five friends (Ungor, 2009: 242).

The rebellion triggered a series of massacres towards Kurdish people in the rural areas of Diyarbakir. Turkish government sent directories to local governor and the majors of the city to take “severe measures” against the insurgents. Within the four months following the repression of the Said rebellion, the military units of the local administration razed the countryside of the city to the ground. Villages around Lice, Hani and Piran were mostly destroyed; their inhabitants were brutally killed. Although there are different accounts on the number of civilians that were killed, Ungor (2009: 290) argues that according to one source within 4 months, 206 villages were destroyed, 8,758 houses burnt, and approximately 15,200 Kurdish people were killed.

In the city, the rebellion started a witch-hunt driven by paranoia. The government quickly issued a law, ‘Law on Migrants, Refugees, and Tribes Who Leave Their Local Settlements Without Permission’, provided a list of 500 people that were mostly from the local elite families of the city and deported them to the western parts of the country. The deportations targeted mainly religious notables and some members of the rooted families of the city such as Cemilpasazadeler. The paranoia was so deep that even some of members of pro-government families such as

Pirincizade and Surgucuzade were also deported and incarcerated in prison. A year later, with another law on settlement, other members of the Cemilpasazade dynasty, Azizoglu family and Surgucuzade family were deported to Western cities. In 1927, government enacted another law through which 1400 people were resettled to western regions. The lands of those persons who were believed to be related to sheikh Said rebellion were confiscated by the state and handed over treasury (Demirel, 2011: 90). The last wave of deportations took place in 1934. With the 1934 Settlement Law, all members of the Azizoglu, Cizrelizade, Surgucuzade families along with powerful dynasties such as Bukar and Cemilpasazade were expelled from the city (Ungor, 2012).

On 1 January 1928, the government established the First General Inspectorship, centered in Diyarbakir with an area of jurisdiction that covered Elazig, Urfa, Hakkari, Bitlis, Siirt, Mardin and Van. General inspectorships, which prevailed until 1952, served as important control mechanisms for the central government. Cemil Kocak argues that General Inspectorships were *exceptional* administrative units (2003:13), which were constituted in order to “secure the public order” in endangered and disordered regions. However, they also served to the reformist ideals of the republican elites. An important motivation behind these exceptional administrative units for the republican elites was rooted in the traditional perception of the periphery in the eyes of the Ottoman bureaucrats: the “reformation” of these “undeveloped” regions (Kocak, 2003: 294).

In Diyarbakir, general inspectorship imposed a top-down modernization and population policy through its direct interventions to city planning, infrastructural change, implementation and the control of economic policies regarding agricultural production and border trade, disarmament and population transfer. Especially during the deportations and re-settlement policies between 1928 and 1934, General Inspectorship played a central role: “it would track down, arrest, and deport Kurds marked for removal, and receive, register, and assign property to Turkish settlers moving in from the west” (Ungor, 2009: 258). Regarding the local economy, the main concern of the general inspectorship in Diyarbakir was to put an end to the smuggling and the banditry in the border zones. The correspondence between the inspectors and the government provides insight into the scope of smuggling in border zones. In many



reports, inspectors complain about the smuggled goods brought through Aleppo and distributed to southeast cities, and ask for additional legislative measures from the central authority to effectively implement the custom rules.

The significance of the General Inspectorships (GI) is grounded in their controversial status within the legal system. Clearly contradicting with the constitutional provision regarding the local administrative organization of the Republic in 1924 Constitution, GIs were defined as intermediate administrative units between the local governor and the Ministries. The general inspector was accorded an absolute authority over the local governor, local gendarme and police forces. More importantly, the law on general inspectorships clearly stated that with the decision of the cabinet, general inspectors could be accorded the authorities of Ministries in Ankara. This meant a transfer of authority (Kocak, 2003: 65), an expansion of the executive branch of the government into the local. First established in Diyarbakir in 1928, GI expanded gradually through the Anatolia. Until 1952 when they became ineffective, GI prevailed an *exceptional rule* over a vast geography, of mainly eastern provinces.

On 14 May 1950, the first democratic elections in the history of the Turkish Republic were held. The Democrat Party (DP) enjoyed a landslide victory with an absolute majority of 53.7% of the votes and a significant support from the eastern provinces.<sup>121</sup> This meant the end of the one-party regime of the Kemalist party (RPP) in Turkey and in eastern cities. First item in agenda of the new government was the dismantlement of the GI. GIs received stern criticisms and attacks from DP deputies, specifically regarding its contradiction with the 1924 Constitution and its controversial existence within the legal system. In 1952, Diyarbakir deputy of DP, Mustafa Ekinci, laid a bill of questioning before the parliament. The questioning was about the civilians murdered in 1937 in Diyarbakir. Here is an excerpt from his speech in the parliament:

We do not want to mention the massacres between 1926-1937. We will not insist on talking about the awful expulsion of children on their bloody feet and 85 year-old people who cannot walk. These incidents became barred, some of them were executed through laws that contradict with the essence of the Constitution (...) But, imagine an era in which, upon a command from his superiors, a general inspector can easily and arbitrarily order its gendarme to liquidate civilians despite the existence of the Constitution, despite the existence of the courts that act in the name of the

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<sup>121</sup> In Diyarbekir, the Democrats won 53.7% of registered voters.

people and in the name of the justice (...) If civilians can be killed unjustly and with particular malice, their mourning will not be short-lived. People will not forget, public conscience will carry it through generations. For long years, the people of eastern provinces lived in unrest and insecurity, they shed tears in a swirl of calamities. If we, as the representatives of these people, overlook these pains and do not bring the perpetrators to account, then our people will lose their faith in us. Their sole hope will be the manifestation of the divine justice (...) I lay this matter before the parliament not as a wound of the eastern provinces. I bring it to you as a matter of our country and mentality. (cited in Kocak, 2003)

DP government dismantled the GI, yet did not take any legal action against the perpetrators of the crimes during the general inspectors. The democratic elections brought neither justice nor the full installation of the democratic rule and the free market economy that was awaited by the discontents of the single party period.<sup>122</sup> The “haphazard” (Boratav, 2005a) and “conflicting” (Bugra, 1995) economic programs of the government, which oscillate between state protectionism and free market economy created radical displacements and relocations of power within the bourgeois class. By the mid-1950s, due to the economic instabilities, DP government was losing its popularity and support at a rapid speed. This brought a rapid twist to an authoritarian tone, echoing that of the single party era. On September 1955, with the orchestration of DP government, non-Muslim populations were the targets of violent mob attacks in Istanbul.<sup>123</sup> Triggered by the false news that the Turkish consulate in Thessaloniki was bombed by the Greeks, the riots and mob attacks quickly spread all over Istanbul with the participation of approximately one hundred thousand civilian people.<sup>124</sup> The Istanbul riots, also known as the events of 6/7 September, started a series of policies directed at limiting the freedom of press and eradication of any

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<sup>122</sup> The landslide victory of DP in 1950 elections is usually discussed as a response to the authoritarian policies of RPP on every segment of the society and the discomfort of certain groups within the capitalist class that were marginalized during the “statist economy” of the single party era such as the locally embedded Anatolian commercial capitalists that dominated mainly the domestic market through small and medium size ateliers. Arbitrary state interventions into economy of the single party period such as Wealth Levy, Tax on Crops (Toprak Mahsulleri Vergisi), Milli Ekonomiye Koruma Kanunu and Land reform debate in the early 1940s also resulted in the growing discomfort on the parts of the commercial bourgeoisie, agricultural producers and exporters (mainly of agricultural products).

<sup>123</sup> Attacks were organized by units consisting of twenty to thirty people, which later admitted that they received the instructions directly from DP bureaucrats. (Güven, 2011)

<sup>124</sup> According to an official Turkish source, 4,214 houses, 1,004 workplaces, 73 churches, 1 synagogue, 2 monasteries, 26 schools, and 5,317 other establishments such as factories, hotels, pubs, etc., were attacked. The American consulate estimates that 59% of the attacked workplaces were Greek-owned, 17% were Armenian-owned, 12% were Jewish-owned, 10% were Muslim-owned; while 80% of the homes were Greek-owned, 9% were Armenian-owned, 3% were Jewish-owned, and 5% were Muslim-owned. After the attacks, approximately 15.000 Greeks and 10.000 Jews left Istanbul and migrated to Greece and Israel respectively. See Güven, 2011.

opposition.<sup>125</sup> Immediately after the mob attacks, martial law was promulgated in Istanbul, Ankara and Izmir for six months and the National Assembly was temporarily closed. The promulgation of the martial law became an excuse for the government to readopt the “National Protection Law” (Milli Korunma Kanunu), which accorded the cabinet extraordinary authorities in the control of the domestic market.<sup>126</sup> A few days later, was put into effect decree 1018, which envisaged the foundation of special courts, “National Protection Courts,” that would allow an efficient exercise of jurisdiction of the “looters”, “black marketers” that constituted a threat to the institutionalization of the market. The same year, DP deputy Kemal Ozcuban’s proposal, which envisaged the capital punishment of the black marketers, was voted in the parliament, and rejected with 102 votes against 88 (Bugra, 1995: 183).<sup>127</sup> While the tension was increasing between the DP government and the opposition party RPP, the economic policies were swinging between the interests of export interests (export-oriented merchants and agricultural producers) and import interests (private manufacturing capital and importers of industrial inputs (Goker, 2006). Economic instabilities led to the increasing intra-class divisions within the bourgeois class and the alienation of an important segment of the capitalist class from DP government. The increasing authoritarianism of the government created a highly discontent urban oppositional bloc including industrial bourgeoisie and importer merchants, the urban lower and middle classes, the intellectuals.

On 27 May 1960, the lower and middle rank officers acting outside the chain of command seized the power through a military coup and overthrew the civilian DP

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<sup>125</sup> Through a series of legal changes and regulations, DP government restricted the electoral politics, the autonomy of universities and judiciary. It curtailed the freedom of press, thought and expression through increasingly harsh measures including prison penalties. Trade unions, political parties including the main oppositional party RPP were repressed through the deployment of an anti-communist rhetoric (Akca, 2006).

<sup>126</sup> National Protection Law was adopted in January 1940 during the Second World War. The cabinet was accorded extended authorities (such as seizing firms) in order to defend the national integrity in terms of security and economic progress under extraordinary situations. First article of the law regulates these extraordinary conditions: (1) general or partial mobilization, (2) the possibility of entering the war (3) the existence of war that involves Turkey’s interests. National Protection Law became dormant in 1960, short after the military coup. The National Protection Law, also included many terms that contradicted the class interest of workers and small farmers, such as the introduction of compulsory labor for a fee, the authority of the cabinet to unilaterally raise the working hours of the workers (Timur 1994: 178-179).

<sup>127</sup> Agricultural economic growth under the conditions of relative open market was hit by a recession of agricultural production and exports in 1954. Under the strictly regulated regime of imports and exports, mid-1950s witnessed a radical increase in the prices of agricultural products, followed by a severe scarcity. Black market activities were expanding all around Turkey.

government. Party members, MPs including the cabinet members, ministers, the Prime Minister Adnan Menderes and the president Celal Bayar were arrested. Eight politicians lost their lives under custody. The political prisoners were accused of treason, corruption, violation of the constitution and legal autonomy of the courts, confiscation of RPP's properties, and establishment of investigation committees. The trials ended in 1961 and fifteen people were charged with capital punishment. Three sentences were executed: two ministers and the first elected Prime Minister of Turkey.

In the eyes of the military officers who made the military coup, the coup was legitimized as a response to the failed economic and social policies of the DP government. The conspicuous consumption of the cabinet members and the Prime Minister, for the coup makers, was a sign of the immorality of the people in power and the increasing income inequality. For instance, Major Erkanlı stated that the DP “dragged the country into disaster in the economic and social fields... An unreasonable consumption began. In 10 years we became one of the poorest nations in the world. This and similar reasons prepared the platform of the 27 May evolution... A definite balance must be established between capital and labor”. According to Captain Özdag, under the DP rule “our market was a colonial bazaar... The development effort remained no more than an absurd fantasy”. According to Lieutenant Colonel Kaplan, “the corruption in the country ...and the social decay which was going on at great speed were veiled and concealed by a policy of greed based on group domination under the guise of economic development”. For 19 out of 20 MBK members, social justice and/or land reform were one of the most important problems of the country.<sup>128</sup> 1960 military coup signified a shift from a relatively free market economy to a planned economy, which is characterized by protectionist and inward oriented policies, namely import substitution industry (see chapter 2). The shift in the capital accumulation strategy was accompanied with a radical shift in the legal system. Short after the coup, the military regime announced that a new Constitution would be prepared.

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<sup>128</sup> These statements are based on the interviews done with the MBK members in 1960. The original source is Cevat F. Baskut, Yasar Kemal, and Ecvet Güresin (1960), Interviews with Members of Turkey's National Unity Committee, U.S. Joint Publications Research Service. My quotations are from Özbudun (1966: 20-21) cited in Akca, 2006: 289.

#### ***5.4 Graduated Sovereignty of the Turkish State: The Limits of Capital Accumulation***

Until now, I tried to delineate the contours of the politico-moral space in which the relations between the Turkish state and business classes were shaped during the single-party era in southeast Anatolia. This politico-moral space was first built upon a rationality and necessity of war, which allowed legitimizing the unjust wealth creation through the extermination and dispossession of the Christian populations. An economy of plunder, – first after the Armenian killings during WWI, then before and during the population exchange between Turkey and Greece in 1923 and 1924 – has put its stain on the newly emerging national economy.<sup>129</sup> The national economy, which is built upon the “non-existence” and material extermination of the Christian other (the Greeks and the Armenians), survived through successive interventions and exceptions. The laws on Abandoned Properties (*Emval-i Metruke*), which found their legitimate bases in the exceptional conditions of the WWI, had endured in the Turkish legal system through various memorandums and legislations until 2001. The infamous Wealth Levy<sup>130</sup> that is defined as a “state terror” (Bugra, 1995:167-9) on business life was issued in 1942 as a response to the necessities of the World War II. War(s) with its attendant semantic field that breeds other referents such as security, national interests or national integrity have interrupted the legal institutions and frames. War(s) served as a *rationale* for the inequalities and differential treatments of

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<sup>129</sup> During the Independence War, an important number of Greeks already started to escape to Istanbul and Izmir from various parts of Anatolia including the Southeast in order to escape to Greece and Greek islands. In 1922, the Greek authorities had reported 890.626 Ottoman Greeks who left all their immovable properties and lands in Turkey and flew to Greece. The remaining Greek populations in Turkey and Turkish populations in Greece were subjected to a population exchange with the agreement between Turkish and Greek governments. The population exchange also served the process of “the homogenization of the populations and the turkification of the capital and workforce” (Aktar, 2006). Between 1922 and 1924, immovable properties owned by Greeks who fled to Greece, *emval-i metruke* (derelicted properties), were either occupied by local merchants who has connections in Ankara, bureaucratic cadres, or people whose houses are destroyed during the independence war between Greece and Turkish troops. The petitions sent by local authorities to the central government between 1922-4 prove that plundering was not an activity that is limited to a number of economic and political elites; it was rather enacted through masses in various cities in Anatolia. It is often argued that the number plunderers reached to almost 200.000s (Arı, 1999: 102 cited in Aktar, 2006: 38).

<sup>130</sup> Wealth Levy was a kind of differentiated exceptional levy, which targeted the businessmen in Turkey. The levy issued in 1942 with the aim of taxation of the increasing number of war profiteers, preventing blackmarket activities by forcing the speculators to put their products on sale in the market, and the decompression of the government budget. Yet, the Levy was arbitrary and discriminatory as it was formulated on the basis of three categories: Muslims, Non-Muslims, and Dönmes (converted Christians). Muslims were liable of the lowest levies, whereas Non-Muslim businessmen were liable for the highest rates. Many non-Muslim businessmen went bankrupt, their properties were taken to court. The businessmen who could not pay the levy were sent to working camps in East Anatolia. As Bugra (1995) argues many businessmen lost their lives due to working conditions in these camps.

populations, and provided a legitimate ground for eliminating every non-Muslim element from the national economy.

In their book, *Kanunların Ruhu: Emval-i Metruke Kanunlarında Soykırımın İzini Sürmek* (The Spirit of the Laws: Tracing the Genocide in the Emval-i Metruke Laws), Taner Akçam and Ümit Kurt (2012) traces the laws on the abandoned properties between 1915 and 2001.<sup>131</sup> Akçam and Kurt argue that the continuity of this legal frame until today proves that the extermination of the non-Christian populations is a constitutive element of not only the Turkish economy but also the Turkish legal system. Provisional laws and decrees that were brought into effect by the Ottoman government in 1915, during and after the genocide, were not only adapted but also expanded in their scope by the new Republic in 1923 and continued to be in effect until 2001.<sup>132</sup> Although the laws, since the beginning, recognized the property rights of the Christian populations on the Emval-i Metruke, and demanded the repayment of their remuneration to the real owners, this never worked in practice. Through exceptional laws on citizenship and passports, Turkish government had prevented the Ottoman Armenians to reclaim their properties and property rights on a legal ground.<sup>133</sup> Akcam and Kurt (2012: 21) argue that Turkish legal system is built upon this duality – recognizing the property rights while trying to institutionalize and legalize the confiscation. Ungor and Polatel (2011) argue that with the help of Emval-i Metruke, the plunder is given a “juridical quasi-legitimacy” while in the eyes of the executioners the responsibility is relegated to the central authority. The justice system is instrumentalized as a means to injustice, and the plunder was legitimized as a step

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<sup>131</sup> Three main laws regarding Emval-i Metruke were Tasfiye Kanunu in 1923, Temlik Kanunu in 1928, and 1926 legislation. They were dismantled in 1988, in 1945 and in 2006 respectively.

<sup>132</sup> In 2001, the ‘General Directorate of Land Registry and Cadastre’ (*Tapu ve Kadastro Genel Müdürlüğü*) published a circular order about the abandoned properties, which transferred all abandoned properties ultimately to the state and nullified the possibility to give any title deed, information or document to anyone. In this manner, the fate of Armenian claims for confiscated property is essentially sealed: the real owners or their heirs cannot claim any rights to their properties, whether according to international law or Turkish law (Ungor and Polater, 2011).

<sup>133</sup> Making an exception to the decree 35 of the Lausanne Treaty (1924), Turkish government legally recognized the Ottoman Armenians as the citizens of the Turkish government in the very early years of the republic. In this way, Armenian property claims were canceled out from the negotiations on war reparations with USA and France that had given citizenship to an important number of Ottoman Armenians. During the negotiations, with special laws on passport, Turkish government prohibited the entrance and the circulation of the Armenians. In May 1927 a governmental law authorized the exclusion of Turkish nationality to deserters – anyone who had not taken part in the War of Independence and had remained abroad between 24 July 1923 and 27 May 1927. An important number of Armenians along with Kurds, Greeks, Jews and Arabs were deprived of their Turkish citizenship with the decision of the cabinet. In 1964, the new governmental law Turkish government was the checkmate: all deserters between 1923-7 were released from nationality. (Akcam and Kurt, 2012)

to economic entrepreneurialism. As the authors quote a deputy during the budget commission in 1917: “Even if we accept for the sake of argument that this was illegitimate – the conclusion is that the rush felt towards the economic entrepreneurship will create such large interests that in my opinion that illegitimacy can be dispelled” (Ungor and Polatel, 2011: 53). Illegitimacy found its rationality in the necessities of the primitive accumulation for the passage to a national economy but it also shaped the very early encounters of the new Republic with its constituency.

In the works of modern political thinkers from Kant to Rousseau or Locke, ‘land appropriation’ constitutes ‘the foundation of political sovereignty, and the essential precondition for public and private law, ownership and order’ (Brown, 2010: 44). Modern state and its political power are born out of the ‘right of making laws ... for the regulating and preserving of property’ (Locke, 1988 cited in Brown, 2010: 44). But the power of the nation-state is that of a *decisive* one, it also involves deciding on who is entitled for the right to *own* and who is not. For the Turkish state just like the Ottoman Empire, the Armenian properties were not only an economic resource but also an important political instrument for reconstituting its sovereignty over its new constituency. In 1928, with the Law of Disposition (Temlik Kanunu in Turkish, Law number 1331) Turkish government started to legalize the looted properties through the distribution of titles to the new owners. The remained (houses, factories, ateliers or land) was transferred to state treasury. The looting of the Armenian properties continued even on the state owned properties. The abuse and misuse of the legal principle on “acquisition through prescription” in Turkish legal system opened a space for widespread illegal gain for the Turkish citizens, especially in rural areas. The looting of the state owned land was so widespread that in 1972, Turkish state needed to revise the principle on “acquisition through prescription” through a land reform and declared that no state land was any longer subject to prescriptive acquisition (Akcem and Kurt, 2012: 230-245).

Once we trace the evolution of the Emval-i Metruke and the plunder of the Christian properties throughout the republic, it becomes apparent that the duality in the legal system regarding the property rights of Armenians not only invokes the abuse of the legal system for the political ends but it also obfuscates the concept of property right. The property right was defined as an “individual right” for the first time in 1982

constitution. Before 1982, it remained ambiguously defined as a “social and economic right”, which can be limited in line with public good and should be subject to nationalization or confiscation by the state. Moreover, this duality designates a fundamental contradiction within the legal order. An ambivalent definition of the property right, recognized and infringed at the same time, creates a paradox within the legal system and blurs the contours of the definition of the “right” itself.<sup>134</sup> This is why republican elites needed to nurture Emval-i Metruke through other violations regarding the citizenship rights and free circulation. If we follow, Schmitt’s argument that ‘land appropriation is the primary legal title that underlines all subsequent law (...) [and it becomes] the reproductive root in the normative order of history,’ then this ambiguity of the definition of the right created and fostered by the state becomes an explicatory basis for the continuous violations of the constitution (as in the case of GI) and a reproductive root of the graduated sovereignty of the Turkish state, which operated through exceptions.

The redistributive laws regarding the Armenian properties were combined with population and settlement policies (population exchanges and deportations) directed to different ethnic and religious communities in Turkey, which also drastically transformed the peasantry and workforce in the country. Two complementary logics of redistribution operated at the national scale, the accumulation through the dispossession of Christian populations and the gradual introduction of populations into the market. Whereas the Christian populations were at the most periphery, Kurds and radical Muslim groups (see chapter 2) were also excluded from power and were gradually and conditionally introduced to the market until the 1970s. Kemalism as a Western, secular and nationalist ideology (Gocek, 1996: 141) attempted to define any strong affiliation of ethnic and/or religious ties as a threat to its existence.

In southeast Turkey, this project of creating the national capitalist class had been carried through exceptions to the legal system. In some cases, the law was suspended and infringed, but more importantly it was produced in conflicting forms. In the case

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<sup>134</sup> The topic of the property rights of the Ottoman Armenians were carried into the agenda of the assembly. In 1922, when the parliament discussed a revision of the Emval-i Metruke, Konya deputy Omer Vehbi rejected it by arguing that this was opposed to the first article since it violated the property rights of the people. However, his objection was overlooked. Mustafa Sabri Efendi, Siirt deputy, opposed Omer Vehbi by quoting a *hadith* (Islamic tradition): ‘The blood of the ones who draw swords to their Muslim brothers is waste, their properties are sugar [fair game].’ (Ungor and Polater, 2011: 50).



of Diyarbakir, through GI and settlement policies, many Kurdish elites had been executed, deported, expelled, and isolated from their networks whereas other groups within the local economic elites such as Princizade family in Diyarbakir assembled more power in their hands. In this sense, these exceptions served not only to create geographical contamination zones subjected to different regimes of power (GI) by the Turkish state but also allowed certain segments of local elite structure in southeast Anatolia to concentrate economic and political power in their hands.

The knowledge that law can be suspended/infringed/produced against or in favor of groups and geographies within the national market defines the state-society relations in general, and state-bourgeoisie relations in particular. This does not necessarily create a ‘weak’ or a dependent bourgeois class on the state<sup>135</sup>, but incarcerates the bourgeois class in the cage of nationalism. In a recent study, Ozlem Altan-Olcay (2012), explores the ways in which the capitalist class in Turkey facilitates the proliferation of their neo-liberal agendas through the employment of discourses such as nationalism, modernism and rationalism, thus produce discourses of hierarchical belonging to the nation. In the public representations of the big and international firms of Turkey, nationalism as a central discourse involves the continual production and reproduction of the historical notion of ‘service to the nation’ in novel forms, with the effect of safeguarding existing political and economic arrangements, namely the reconstitution and reinforcement of the neoliberal market. The merits of the neoliberal economic policies are re-conceptualized in terms of their benefits to the nation, but with a strong emphasis on the necessity of individual rationality and responsibility.

In a similar vein, Ayse Bugra’s (1995) seminal work on the business class in Turkey illuminates that ‘service to the nation’ and the legitimization of successes and

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<sup>135</sup> As Yalman (2002) observes, the post-1980 period has witnessed the rise of a state-centric discourse, which has become hegemonic in academic and public milieus. Epitomized in the “strong state tradition” (Heper, 1985), this hegemonic approach to the state takes its cue from a set of arguments about Ottoman-Turkish history, and is produced by scholars from diverse theoretical and political traditions. The commonality of these studies – for instance, Akca (2006) puts the studies of Ayse Bugra (1995) and Caglar Keyder (1987) into this groups of studies – is that the argument that Ottoman-Turkish history is marked by a peculiar historical continuity incarnated in a “strong state-weak society tradition”. As Akca (2006: 10) continues to observe: ‘the state, either reified as a subject in itself or personified in state elites (civil and military bureaucracy), acts as an independent actor against and regardless of the will and demands of social actors within (civil) society. It is pictured like an omnipotent subject dominating the whole society regardless of the social class cleavages and the power relations within the so-called societal sphere. The problematic nature of the argument stems from the assertion that the state elites have been dominating not only over the popular classes but also the dominant ones, specifically the bourgeoisie.’

economic gain are always framed in terms of contribution to the national economy's well-being. From the autobiographies of the businessmen and through her interviews with the prominent businessmen in Turkey, Bugra demonstrates how the businessmen had a strong perception that profit-making activities carried negative connotations in the popular imaginary, thus these activities should be portrayed as in the service of the state and the nation. This form of pluralist or societal-(neo)corporatist model of interest representation, she argues, was a result of the uncertain and insecure economic environment created by the inconsistent economic policies and the political instabilities. The inability or reluctance of state actors to establish proper institutional settings led to the emergence of a bourgeois class "which historically owes its existence and social legitimacy largely to its relations with the state," thus "could not consolidate its social position as a dominant class." (Bugra, 1995)

Altan-Olcay argues (2011: 47) that this idea of the 'service to the nation' is very much related to the conception of the 'ideal citizen' throughout the Republic: "modern individuals fulfilling their nationalistic duties by being industrious, obedient and grateful' (for a discussion of the ideal citizen, see Üstel, 2011). However, in the post-1980 period had rather, economic success is coded in terms of not only the benefits of one's work to the nation but also the level of rationality and responsibility that the relevant actors possess. These discourses over economic creates a series of contestations over political belonging and over who constitutes a desirable Turkish citizen.

### ***5.5 Recapitulation***

In chapter 4, I discuss how the inter-local competition based on a conception of a fragmented national economic geography imposes a disciplinary logic over localities and creates contestations over the success and failure of cities in terms of attracting investments. Establishing a secure environment as one of most determinant criteria of the success is hanged over the southeast cities as the sword of Damocles. This disciplinary effect becomes extremely visible when the discourses employed by the Turkish state as well as the local state institutions are examined. This chapter rather concentrated on the historical examination of the southeast region and attempted to show that the economic structure of not only the region but also the Turkish Republic has evolved out of insecure conditions prepared by violence, massacres, lootings, and

mobs in front of a background of wars. I started with the Armenian genocide in 1915, and discussed how the state of exception, that found its expression in the massacres and deportations of millions of Armenians and the confiscation and destruction of their properties, became the constitutive basis not only for the national economy in its connections to the capitalist global market but also the national sovereignty. This was possible through the Emval-i Metruke Laws (first enacted in 1915, then passed through various amendments until 1923), which recognized and infringed the property rights of Armenians on their abandoned properties.

In the second part of the chapter, I discussed the establishment of the General Inspectorships as a response to the Kurdish uprisings. General Inspectorships constituted not only an exception to the constitutional provision regarding the local administrative organization of the Republic in 1924 Constitution, but they also meant a delegation of authority of the executive branch of the government to the local governments. This exceptional rule of the general inspectors in the southeast cities involved a set of reforms from city planning and infrastructural change to implementation and the control of economic policies regarding agricultural production and the control of the smuggling activities. They also involved uncontrolled and arbitrary power of the general inspectors, which from time to time turned into violent acts or killings. Under GI, Kurdish cities went through radical transformations in terms of their demographic character. GI served to track down, arrest, and deport Kurds marked for removal (usually the most powerful Kurdish notables and their families), and receive, register, and assign property to Turkish settlers moving in from the west. In this sense, as exceptional administrative zones, GI served to the redistribution of wealth and led to the centralization of capital in the hands of a few in local economies.

Third part of the chapter situated the exceptionality of the southeast Turkey in the general picture of state-bourgeoisie relations in Turkey. I argued that the knowledge that law can be suspended/infringed/produced against or in favor of groups and geographies within the national market shapes the state-bourgeoisie relations in Turkey in general and in southeast Turkey in particular. This knowledge brings the state as a site of struggle for different segments of the population, including the capitalist class. In this sense, the permeability of the law defies the idea of a strong

state as the ultimate sovereign over classes and society; it rather imposes the permeability of the state sovereignty.

The epitome of this permeability was the post-1980 period when ‘looting’ came back in the public discourse one more time, but this time it was mainly the looting of the state. Chapter 6 will discuss the post-1980 period with a special focus on the implementation of liberal policies through exceptional law-decrees and the creation of an extraordinary geography under the Emergency Rule (OHAL). As will be discussed in Chapter 6, the constitution of the liberal economy after the 1980 military coup followed a similar pattern. The post-1980 era saw the reinforcement and expansion of the executive branch through law-decrees and a re-institutionalization of the state as well as the legal quarantining of the southeast region under the Emergency Rule. In this sense, the next chapter will trace the continuities of the exceptions on the road to liberal economy and the reconstitution of the market under neoliberal demands.

## **6. The Foundation of the Neoliberal Market: The Perpetuation of the Exception throughout the Constitution of the Liberal Market**

In the late 1970s, Turkish economy reached a stalemate. The Cyprus intervention in 1974 received harsh criticisms on the parts of European countries and resulted in an embargo on arm sales by the USA to Turkish government, and a freeze on economic relations with many other European states. The economic embargo combined with the worldwide oil crisis of 1973 deteriorated the balance of payments, jumping up the deficit from 769 million dollars to 2.3 billion dollars in just a few years. The government fell into a foreign exchange bottleneck, and applied to international debt servicing in the mid 1970s, yet rising interest rates blocked all the ways to further borrowing in a few years. Along with the deteriorating economic climate, the failed coalition governments, abortive attempts for political power, early elections, and countless motions to censure in the parliament marked to a deepening political hegemonic crisis, which was concurring the increasing tide of political violent competition between various political legal or illegal organizations from different ideological stances. Between 1971 and 1980, Turkish parliament witnessed the establishment of eleven different governments, either in the form of coalition governments or transitional governments. The political power was swinging between the RPP under the leadership of Ecevit and the right-wing Justice Party (AP) under the leadership of Demirel, both leaders failed to stay in power for more than two years. This political turbulence inevitably hampered the uneasy relation between the state and the bourgeois class, yet the widening regional disparities between the eastern and the western parts of the country and the increasing concentration of capital in the hands of a limited number of conglomerates indicate that the metropolis-based big capitalists, which started to expand their economic power during the 1960s, kept their pace of growth during the 1970s (see Chapter 2).

In 1979, the new Demirel government quickly came to the conclusion that unless a major long-term restructuring program were implemented, Turkish economy would collapse in a few years. With the SPO chief Turgut Ozal, Demirel promoted an economic program designed to dismantle the import substitution edifice and accelerate the passage to an export-oriented economy. On 24 January 1980, the

government announced the new economic package, known as January 24 measures. By the late 1970s, the capitalist class was already divided along conflicting interests regarding the necessity of keeping the ISI (see Ozan, 2012 for a discussion of the conflicting interests of capitalists and their reactions to the January 24 package); many business associations including TUSIAD were pushing the government for a transition from the protectionist policies of the ISI to more export-oriented policies. In this sense, the new stabilization-cum-structural adjustment program under the guidance of IMF received quite positive reactions on the parts of nation-wide business organizations: TUSIAD defined it as “a scientific and brave approach” whereas TOBB and TISK congratulated the government for taking “courageous steps and measures.” (Ozan, 2012: 202) However, the economic program was no remedy to the structural hegemonic crisis and the heightened political unrest in the country. Despite the imposition of martial law, the political violence between different political groups within cities and even in small hamlets was increasing with an average number of 20 fatalities a day. Moreover, a record number of workers were on strike, especially in Istanbul. Some strikes were the direct result of the DISK’s (Revolutionary Workers’ Confederation) protest against the January 24 measures (Barkey, 1990). The rumors about the plans of a military coup was haunting the parliament, which was blocked and unable to elect a President during the six months preceding the coup. On 12 September, the National Security Council (MGK) headed by the Chief of General Staff Kenan Evren overthrew the government, immediately extended martial law throughout the country, abolished the parliament and the government and banned all political parties, trade unions and associations.

The coup crashed the Turkish society in its real sense. The generals quickly suspended the 1961 constitution and started a cleansing operation, which targeted any politically mobilized group before the coup. The targets of the military junta were mainly middle classes and working class that experienced political mobilization throughout the 1970s such as organized workers, politically engaged/organized students, writers, translators, journalists, artists, and members of the professional organizations. The military junta sealed a total of 23.677 civil associations including worker unions and eradicated any possible source of opposition. As stated by the Ministry of Justice, 650.000 persons were put under custody, thousands suffered from severe torture. As officially announced 229 people lost their lives due to unnatural

causes under custody or in prison. Around 250.000 people were put on trial for being members of illegal organizations or threatening the national order, and 85.000 people were put on trial in relation to thought crimes. 517 people were convicted to death penalty, of 50 people were executed. One of the executions was a 17-year-old high school student, Erdal Eren, who later became a symbol in the popular imaginary signifying the injustice of the extraordinary times following the military coup. 348,000 Turks and Kurds were banned from travelling abroad; 30.000 citizens were released from nationality; tens of thousand escaped the country and became political refugees in many European countries. 15,509 people were fired from their jobs for political reasons; 114,000 books were seized and burned; 937 films were banned; 2,729 writers, translators, journalists and actors were put on trial for expressing their opinions (Atasoy, 2009: 85).

The 1982 Constitution, prepared under the guidance of the military led to a radical redistribution of power in the society at the expense of the silencing and liquidation of workers, students and professional organizations. The new Constitution restructured the boundaries and the functioning of the civil society and curtailed most of the democratic rights and freedoms provided by the 1961 Constitution (Ozbudun, 1991). The pre-coup economic and political order along with the 1961 Constitution were held responsible for the civil strife and disorder in the late 1970s. The wide social and political rights granted with the 1961 constitutions to unions, professional and student associations were dramatically limited. The biggest union of the workers founded in 1967, namely DISK, was discredited as the main source of the lawlessness and disorder and was abolished short after the military coup (Aydin, 2005: 55). Article 26 of the constitution severely crippled the freedom of expression by prohibiting the usage of any language other than Turkish in any form of printed and recorded material. The ban of languages other than Turkish, which specifically targeted Kurdish language, was consolidated with the regulation of Law 2932 (Bruinessen, 1998). It was only in 1991, during the presidency of Ozal that the Law 2932, which enshrined the prohibition of more than 40 languages including the Kurdish was dismantled through the adoption of the *Law on Fight Against the Terror* (Terorle Mucadele Kanunu).

Under the strict guidance of IMF and World Bank and the repressive rule of the Turkish army, Turkish economy was transforming into a liberal economy at a speed that surprised even the IMF and World Bank officials (Aydın, 2005: 44). One of the first proclamations issued by the military junta stated that the January 24 measures were to be continued, and Turgut Ozal, the architect of the new reform program and the former Deputy Under-Secretary of Demirel government, was appointed as Deputy prime minister in charge of economic matters of the interim government, which lasted for three years. This alone proves the strong belief of the military junta in the new economic program and their dedication to the continuation of the stabilization reforms by the IMF. Turkey under structural adjustment program constitutes an example of a radical passage to the market oriented economy; an “adjustment from above,” (Onis, 1994) which brought significant changes in a multitude of areas including the restructuring of the market, the state and the national geography in a very short period of time. Structural loans and financial support through World Bank and OECD countries streamed into the country in the four years following the military coup rather than being distributed over a longer period. During the military junta, Turkey received five successive structural adjustment loans from the World Bank. As Onis (1991: 38) argues, the scale of resources channeled to Turkey between 1980-1984 exceeded by a considerable margin the scale of resources that were made available to other examples under similar adjustment programs.

The mastermind of the new economic program was Turgut Ozal, a former bureaucrat of the State Planning Organization (SPO) who had close connections to Demirel and the Justice Party (AP) during the 1960s. His unique background involving exposure to public sector in SPO, private sector during his managerial positions in many big firms such as Sabanci Corporation and transnational organizations such as World Bank during 1970s proved to be major assets for Ozal to establish a ‘confident image’ in the eyes of the capitalist class at the national level and the international finance community at the global level. Considering his respected image in national and international business circles, it was not surprising that he continued to occupy the post of Deputy Prime Minister in charge of Economic Affairs during the military junta. In the summer of 1982, short after the ‘bankers’ crisis,’ Ozal was forced to resign from this post, and a year later he gained a major victory in the elections of November 1983 with his newly founded Motherland Party (MP) against the



Nationalist Democratic Party founded and supported by the military. The victory of MP and the prime ministry of Ozal signaled the beginning of a new era and an altered relation between the state-society relations. The legacy of Ozal in Turkish economy lasted for more than 20 years. As Onis (2004: 115) argues that ‘the successive crises that Turkey experienced over a short interval in 1994, 2000 and 2001 had their origins in the key decisions implemented during the Ozal era (...) there is an essential line of continuity between the apparently more successful 1980s and the less successful and unstable era of the 1990s and beyond.’

The military coup signified a threshold for a re/signification of political and economic rights, which collapsed the former in the name of the latter. The Ozal era signaled the reinforcement of this re/signification. His weak commitment to democracy, to institutions and to the rule of law (Onis, 2004: 120), his strong belief in economic liberalism, his critical stance to bureaucratic cadres of the state and the explicit favoring of consumerism have put their mark on the re/constitution of the market, deeply affecting the conception of the state in the minds of the businessmen in particular, and in the society in general.

### ***6.1 The Restructuration of the State: ‘Ozal’s Princes,’ Export Regime and the Corruption***

In her article, ‘Crisis,’ Janet Roitman (2012) argues that crises are constituted as objects of knowledge, they entail not only an elaboration and valuation of the present and the past but also they work as imaginative frames to shape the future. They are productive, thus transformative. They not only impose policies, regulations, shifts in institutional frames and accumulation strategies, but also produce meanings, values and horizons for future. As she writes,

What I will consider is how crisis is constituted as an object of knowledge... The term crisis signifies a diagnostic of the present; it implies a certain telos – that is, it is inevitably though most often implicitly directed toward a norm. Evoking crisis entails reference to a norm because it requires a comparative state for judgment: crisis compared to what? ... In that sense, crisis is not a condition to be observed (loss of meaning, alienation, faulty knowledge); it is an observation that produces meaning. (Roitman, 2012)

Came out from the hegemonic and economic crisis of the late 1970s the idea of a liberalized economy, more specifically the export-led growth strategy based on

industrialization, which became a horizon for Turkey's future but also a means for establishing democracy. In 1988, Ozal fervently defended that liberal economy and the export-led developmental strategy would pave the way to political stability and democracy. In a meeting with businessmen in 1988, he said "If you study Turkish economy since 1950 you will encounter a balance of payments crisis every ten years, and a military coup that follows it. Therefore, we took up this export problem as soon as we came to power. Our purpose was not only to increase exports but also to transform a large part of them into industrial exports." (cited in Ilkin, 1991: 90) As a strong defender of economic liberalism, Ozal was highly critical of excessive penalties on businessmen, which he believed would result in the repression of entrepreneurial activities. However, his neo-conservative right-wing thinking and the narrow definition of the democracy marked the beginning of a serious corruption episode, known as the 'fake exports era.' This constituted the underbelly of Ozal government: between 1986 and 1989, 78 oral or written questions were laid before the parliament concerning corruption related with illegal exportation (Kalaycioglu, 1991: 82), and Ozal government was accused of creating a state-led wealth due to its lenient response to the fake exporters. Even the members of Ozal's family were subject to widespread allegations of corruption. Moreover, the export regime was based on strict regulations regarding the structure of the firms, which resulted in a selective introduction of the firms into this new accumulation strategy (for a discussion see Ilkin, 1991).

Another consequence of the late 1970s crisis was the strong distrust of the government towards the bureaucracy, which was thought to represent the *étatisme* of the pre-1980 era. Ozal attempted to bypass the state bureaucracy through a re-ordering and re-organization of the state apparatus, which resulted in significant concentration of political power and centralization of the government. I will first sketch the export regime of Ozal government and its effects on the Turkish economy, and then discuss the centralization of state institutions under the Prime Ministry during the Ozal era.

Export regime, first revised by the military junta in 1980, continued to be in effect during the Ozal government. It worked mainly through state-subsidized export

activity in the form of tax rebates and encouragement subsidies.<sup>136</sup> The export promotion policies combined with the favoring conditions of the regional market worked well in the early 1980s as Turkey experienced a rapid increase in its exports short after the implementation of the new export regime. This rapid increase was partly dependent on the growing demand for Turkish products in the Middle Eastern market hampered by the Iran-Iraq war (Nas, 2008: 39). However this rapid economic success did not offer equal chance to every segment of the business class. The new regime resulted in the concentration of economic power in the hands of a few firms as the regulations were supporting the big companies in order to reduce the disadvantages of a competitive domestic export market that would consist of a large number of small exporters. In the early 1990s, 25-30 companies were holding a share of %50 of exports at a national scale (Onis, 1991: 31). The small and medium-sized exporters were arguing that the interests related to incentives constituted a “zero-sum model” (Ilkin, 1991: 98), and asking for greater pressure over the government through unifying the export associations under a single umbrella.

During the 1980s, the product lists that were granted with tax rebates or incentives were changing every other month, and Ozal government was accused of creating a state-led wealth creation for certain segments of the bourgeois class (Bugra, 1995). In the mid 1980s, following the bribe scandal of a minister in the cabinet, the oppositional party laid a list of firms involved in ‘fake exports,’ and known to have close relations with the government (Uncular, 1991: 55).<sup>137</sup> The export regime shortly turned into a rent-seeking activity for the business classes. The changes in the export subsidies made by the government to increase the scope of export activities such as increasing export tax rebate from 6 percent of the value of total exported products to 19.2 percent in 1984 led to a sudden interest of many business people into this new lucrative field. A large number of firms violated the export regime and claimed large amounts of tax rebates without actually undertaking the required level of exports. The scope of corruption was massive: as Rodrik (1988 cited in Nas, 2008) argues, roughly

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<sup>136</sup> Encouragement subsidies included rebate of indirect taxes, cheap credit through Eximbank, duty free imports, premium paid from the “export encouragement fund” and from the “price stability fund” and exemptions from “institutions tax” (Aydın, 2005: 261).

<sup>137</sup> The minister was Ismail Ozdaglar of MP, and the list was laid before the parliament by Fikri Saglar of RPP. The list consisted of many big firms including ENKA, Borusan, Tekfen, Yaşar Dış Ticaret, Sönmez Filament, Nazif AŞ. See Uncular, 1991.

21 percent of the recorded increase in Turkey's exports during the early 1980s were fictitious due to over-invoicing.

The government, on the other hand, was quite tolerant to these violations and no serious attempts were made to punish the violators. This lenient attitude by the Ozal government, Onis argues (2004: 124), led to the pervasive corruption in Turkish economy during the 1990s. Still in 2011, Turkey was placed among the group of countries perceived as the most corrupt in Europe, and performs below average in Transparency International's 2011 Corruption Perceptions Index, with a score of 4,2 on a 0 (highly corrupt) to 10 (highly clean) scale, indicating relatively high levels of public sector corruption (Transparency International, 2011). In the World Bank Governance Index, the corruption is still identified as a major governance failure with its presence of severely high levels over the years (for a detailed discussion of corruption in present Turkey, see Adaman, 2011).

The export regime was accompanied with a radical restructuring of the state, which aimed to effectively and swiftly implement the economic policies. Instead of a retreat of state, the post-1980 era witnessed the re-ordering and re-organization of the state apparatus, which resulted in a significant concentration of political power in the hands of government (Onis, 1991: 39). The executive branch of the government acquired a large-scale presence in the economic field with new administrative inventions that allowed bypassing the parliament (see 6.2.1). As Bugra (1995) argues this omnipresence of the state has put the latter in the center of attention of the business circles so powerful than ever before; the economy was liberalized but the centralization of the state brought a rather top-down reform process, which solidified the interdependency between the state and bourgeois classes.

Oncu and Gokce (1991) argue that post-1980 transformation of the statehood has to be sought in the logic and mode of state interventionism rather than its "degree". The state did not get stronger or weaker, but it was re-ordered and re-organized through new instruments, which created a significant concentration of political power in the hands of prime minister and his "inner circle" of bureaucrats consisting of centralized ministers and a series of organizational changes in the scope and responsibilities of state agencies. The creation of three institutional departments, which regulate the investments and the export activities (the Under Secretariat of Treasury and Foreign

Trade, the Department of Foreign Investment, the Department of Investment and Export Promotion and Implementation) under Prime Minister's office centralized many activities that were previously scattered among different ministries and brought them under the direct control of the Prime Minister (Oncu and Gokce, 1991: 103).

Moreover, the critical institutions of the ISI era, State Planning Organization (SPO) and Treasury, were also directly attached to the Prime Minister's office.<sup>138</sup> These organizational changes were accompanied with a restructuring of the bureaucratic field as well. In order to implement the economic reforms in a swift and effective fashion, Ozal government chose to bypass the traditional bureaucracy, which was in Ozal's words 'strongly etatist' and constituted 'an impediment to the democracy.' The prime minister, Ozal, created an "inner circle" through reinventing new bureaucratic layers and filling them with young US-educated bureaucrats who had no allegiances within the former bureaucratic establishment or party networks (Oncu and Gokce, 1991: 104-105). Characterized with their total loyalty to the Prime minister and known as "Ozal's Princes," these technocrats equipped with the know-how of neoliberal processes in USA and Europe, facilitated the introduction of liberal reforms into Turkey, and solidified the power of the Prime Minister in the bureaucratic field.

As examples from different parts of the world (for a comparison of the Turkish case with Argentina see Onis, 2004; for a comparative study between Chili and Turkey see Dalgic, 2012) indicate that the neoliberal reforms are usually engineered through a top-down fashion and involved a radical restructuring of the bureaucratic field through the introduction of a high number of technocrats that can decode and encode the localization of the neoliberal policies. However, the Turkish case is interesting in discussing the ways the parliament was bypassed through ancillary decision mechanisms by the government, namely law-decrees known as Kanun Hukmunde Kararnameler (KHK) and extrabudgetary funds, which has put a stain on the transparency and accountability of the liberal economic experience. For many authors, this was the weakest link in Ozal's political leadership: his loose conception of the rule of law and democracy.

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<sup>138</sup> Even during his ministry during the military junta, Ozal asked for a much greater concentration of power by attaching the Ministries of Finance and Treasury to himself. This was refused by the military junta on the grounds that it would be against the constitution (Barkey, 1990: 183).

## ***6.2 The Legal Foundations of the Neoliberal Reforms and the Civil War in Turkey***

Until now, I sketched how the restructuring of Turkish economy under SAPs and SALs followed the path of export-led growth strategy and industrialization with a centralized state and its reinforced executive branch. The export regime became corrupted from its early years, and the tolerant response of Ozal government to the violations of the export regime redefined the state as a site of corruption for business classes, which had sweeping effects until the 2010s. Although during Ozal government, a high degree of centralization is observed, this does not necessarily mean the reinforcement the state sovereignty over the classes; on the contrary the permeability of the law and the knowledge that law can be suspended/infringed/produced against or in favor of groups and geographies within the national market may defy the idea of a strong state as the ultimate sovereign over classes and society and mark to the permeability of the state sovereignty (see Chapter 7). In this section, I will rather focus on the continuities between the legal frames employed in order to constitute a liberal market and the perpetuation of the civil war during the 1990s.

### **6.2.1 Expansion of the Executive through Exceptions: The Rediscovery of Law-Decrees (KHKs)**

The legal interventions attempted to expand the executive branch of the government and their extrajudicial character had put its stain on not only the national economy but also the relations between state-business relations throughout the history of the Republic (see Chapter 5). *Milli Korunma Kanunu* in 1940, *Iktisadi Tedbirler Kanunu* in 1950s were examples of such extralegal interventions of the state in the formation of a national market. The liberalization of economy after the military coup in view with the IMF stabilization program also worked through exceptions, which included a radical expansion of the executive. In Turkish Republic, as a legal category the Law-decrees (*Kanun Hukmunde Kararnameler*-Decrees with the force of Law- KHKs) were first defined in an amendment to the 1961 Constitution following the military coup in 1971. The need to adjust “bulky” state actions and to bypass the “slowness” of the legislative branch in face of the hostile and “ever-shifting” international economic order forced the military junta to recall a traditional legal instrument: the

use of the exceptional executive authority, known as *Kanun-i Muvakkat* between 1908 and 1922, which allowed to constitute the Independence Tribunals, *Türk Parasini Koruma Kanunu* and *Milli Korunma Kanunu* during the early years of the Republic. In 1971 constitution, the law-decrees were legitimized on the basis of the necessities of the modern state

In parliamentary regimes, it is a known fact that law-making following *modus operandi* takes time and creates lags. As a demand of the changing economic and social conditions and a natural consequence of the conceptualization of modern state, we are faced with the necessity of implementing certain legal laws without following these *modus* (Constitution and Justice Commission Report, 1972).

In 1971, the *Kanun Hukmunde Kararnameler* were defined as special *administrative procedures*, which should be employed in urgent and imperative situations and within the limits that were defined by the constitution. As already defined in the amendment, KHKs cannot regulate the political rights and duties (Part 1& 2 of the constitution) but can organize *social* and *economic* rights and duties (Part 3) that include rights regarding property, unionization and strikes, freedom of press.

The legal status of KHKs triggered a series of discussions in Turkish legal field. While some authors tend to see it as a *sui generis* administrative operation, others argue that in 1982 Constitution, KHKs were redefined and granted with the authority of legislature (Saglam, 1984; Ozbudun, 1986 cited in Zengin and Altin, 1999). As stated by the 1982 and 1961 constitution, KHKs can only be used in *urgent situations* to *accelerate* the functioning of the executive and they do not become legislatures until they are approved in the parliament. A KHK should be put before the parliament for approval immediately after it is gazetted (Article 91, subsection 8). This necessity, many authors argue, support the argument that KHKs are solely administrative operations submitted to the legislative authority. However, between 1976 and 1993, 25 different governments issued 522 KHKs, 238 of which are still waiting to be brought to the parliament (Tan, 1995: 336). The KHKs, once gazetted, come into effect and produce rights and duties for individuals. The ambivalent definition of their status makes KHKs extraordinary forms of legislatures in which the authority of legislation is delegated to the executive.

KHKs, as a form of extraordinary authority accorded to the executive branch, constituted the basic instrument that facilitated the liberal restructuring of Turkey after the 1980s and the reconfiguration of the national geography and its populations in line with the demands of the liberal market. Between 1971 and 1980, Turkish governments issued 24 KHKs as a response to the liberalization package of IMF, which was proposed as a remedy to the intensifying economic crisis. The military junta between 1980-1983 issued 91 KHKs including the decree-law of July 1980, which regulated the export regime discussed above. Whereas the period between 1971 and 1983 witnessed the enactment of a number of 136 KHKs, the first elected government, MP under the leadership of Ozal, issued a number of 186 KHKs in a period of six years. This indicates that the neoliberal reforms following the 24 January measures were mainly implemented through circumventing the parliament with a record number of 207 KHKs between 1980 and 1989. Moreover, extensive recourse to KHKs reinforces the idea that for the sake of economic process, it is imperative to by-pass democratic processes including the parliamentary norms.

During the Ozal era KHKs, which were legally planned to regulate the economic rights and duties of the citizens, served to a ‘state-sponsored wealth creation’ (Bugra, 1994: 152) for certain segments of the business circles as they provided the government with ample authorities to intervene into the liberalizing market through subsidized export and import regimes. A highly debated issue of the privatization of state economic enterprises was also regulated through KHKs rather than an explicit Privatization Law (Ercan and Onis, 2001). It is not surprising to see that the new emerging capital groups that were backed by the Ozal government were active in the domestic market, in the newly privatized cement, food processing, energy and telecommunication industries (Aydin, 2005: 52).

KHKs continued to be effective mechanisms for the regulation of economic activities during the 1990s. As can be seen from Figure 3 (see Appendix 1.10), the increase in the appeal to KHKs usually corresponds to radical restructuring periods of the national economy; before and after the 1994 and 2001 crises we observe a jump in the number of KHKs. Although both the amendment to 1961 Constitution and the article 91 of the 1982 Constitution emphasized that KHKs should be employed in urgent and imperative situations, it is clear that for more than twenty years Turkish economy has



evolved through an economic emergency, which necessitated direct intervention of governments into the functioning of the market. The only legal inspection of the KHKs is through the recourses to the Constitutional Court, and can include their inspection by the legal authorities in terms of their formative and normative unity (*şekil ve esas uygunluğu*) with the Constitution (Tan, 1995: 344).

Another striking landmark of the 1980s involved the proliferation of extra-budgetary funds (EBFs), which provided the Ozal government with certain flexibility in government spending decisions. EBFs were created in order to generate additional revenues for the government and they constituted the diverted tax resources from the parliament-controlled consolidated budget. EBFs also embodied a critical advantage: they constituted a resource of revenue for the government, which can be used without the approval of the parliament (Onis, 1991: 32). In the late 1980s, the number of funds was estimated to be around one hundred and thirty with a variety of different sizes and contributions. The largest eleven funds accounted for two-thirds of the earmarked revenues, estimated to range between \$3.5 and \$5.7 billion in 1987 (Bugra, 1995: 145).

EBFs constituted an informal budget, which is not only outside the boundaries of legislative authority but also opaque to even the member of parliaments in its magnitude, use and definition. In the early 1990s, extra-budgetary funds became a source of contention, and following the 1994 and 2001 crisis they were largely dismantled. A commissioner of the General Accounting Office indicated that in 1990 EBFs constituted 60% of the revenues of the consolidated budget. He defined the extra-budgetary funds as the biggest threat to the transparency and accountability of the public financial system and called for their total dismantlement.

In an environment where information regarding the funds is secreted from the public, where the definition and the numbers of funds are opaque and earmarked, the only necessary action can be the discharge of the fund system in total. Discharging means the reduction of the continuously increasing fund resources, which renders the consolidated budget into a *collateral* budget (Aydin, 1991).

In the late 1990s, the number of funds was around 80, and they constituted a major source of the growing financial deficit of the state, which had been continuously funded by the Treasury. This in return increased the internal borrowing, and

deteriorated the fiscal balance. (Yildiz, 2006) For Onis (2004: 121), EBFs created a corrupted system of arbitrary spending decisions based on political patronage and undermined fiscal discipline, thus the success of the neoliberal reforms. Very few works have sought to establish the links between the expenditures related to “low intensity war” in southeast and the public deficits, which led to the 1994 economic crisis. Dogan (1998) argued that the internal borrowing, which led to a major contraction in 1994, was a result of the transfer of financial resources of the EBFs to military expenditures in the face of the growing tide of civil war in Turkey. However, as other scholars argue the cost figures of the military operations in southeast Turkey and Iraq in the 1990s are not accessible in official sources, thus such a discussion is highly speculative (Gunluk-Senesen, 1995: 86). In a similar vein, a recent study (Akca, 2006) argues that the impact of war on public deficits in the 1990s is open to contention but the lion’s share of the public spending in the general budget went to the military expenditures, which had been increased mainly because of the modernization project of Turkish Armed Forces.

The basic funding sources of military operation expenses are the budget of Ministry of Defense, foreign military loans and the NATO fund formed in 1953. However, as Gunluk-Senesen (1995: 83) claims, the expenses of military operations were also funded through contributions from the Ministry of Interior Affairs and an unknown number of EBFs. The Defense Industry Support Fund (DISF) founded in 1985 was among these EBFs. Gunluk-Senesen (1995: 84) defines DSIF as ‘exceptional’ as it is exempt from Turkish accounting and bidding laws in order to ensure both secrecy and speed. In the 1990s, the fund was financed by fixed sales taxes paid by consumers on a variety of commercialized goods (such as alcohol and cigarettes), on legalized betting (such as national lottery) and tax surcharges on entertainment (such as sport events, movie theater, concert tickets etc).

The lack of transparency and the accountability of the fiscal system due to the existence of extra-budgetary funds under the arbitrary decisions of the governments make it impossible to prove or refute the causal link between the expenditures on military operations in the southeast and the public deficits and unstable economic environment of the 1990s. As ‘exceptions’ to the fiscal system EBFs undermined not

only fiscal discipline leading to corruption and political patronage but also weakened the idea of the state with the aim of improving the national welfare.<sup>139</sup>

Neither extra-budgetary funds nor the use of law-decrees are exclusive to Turkish case. In many European countries, healthcare and social welfare programs are paid for in whole or part by earmarked taxes, and they are managed through EBFs. (Allen and Tommasi, 2001) In a similar vein, extra-budgetary funds are also used as effective strategies for implementing the neoliberal reforms in many central and eastern European countries in the early 1990s during the transition to neoliberal economy, including Russia, Poland, and Bulgaria, Georgia, Armenia, Ghana and China. (Allen and Radev, 2010) Yet, EBFs constitute a potential source of political and administrative corruption, which as in the case of Turkey can lead to create “black boxes” in the parliamentary regime or secret “flush funds.” (Allen and Tommasi, 2001)

On the other hand, law-decrees are also an intrinsic and common feature of parliamentary regimes worldwide. In his book, *The State of Exception*, Agamben (2005: 13) traces the evolution of law-decrees throughout the history of Western democracies, and he points to the replacement of the declaration of state of emergency with the generalization of the paradigm of security as a normal *technique* of government. He argues that World War One played a decisive role in the generalization of exceptional executive [*governamentali*] apparatuses in England, France, Italy, Germany and Sweden through the enactment of law-decrees. If one of the essential characteristics of the state of exception is the provisional abolition of the distinction among legislative, executive and judicial powers, Agamben argues, this tendency becomes a lasting practice of government in the European States, a pertinent and intrinsic feature of the European democracy, which is characterized by the growing power of the executive.

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<sup>139</sup> The second half of the 1990s witnessed sharp criticisms on the parts of businessmen associations, which accused the coalition governments for creating governance failures in the face of increasing dominance of military in civil governance. In 1997, TUSIAD published a report, which called for more democratic governance. Making a distinction between the concepts of “national security” and “national defense”, TUSIAD report strongly called for the separation of national defense from internal security, and affiliate TAF with issues about the national defense. See, TUSIAD Raporu, “Turkiye’de Demokratiklesme Perspektifleri”, January 1997, p. 31.

The Turkish case is an interesting juridico-political case in discussing the law-decrees for two reasons. First, it is true that KHKs "changed from a derogatory and exceptional instrument for normative production to an ordinary source for the production of law" in the 1980s and 1990s, yet they helped to "create opportunities, usually for a minority, who enjoy political accommodations and conditions not granted to the rest of the population." Second, the 1982 Constitution made a clear distinction between the Emergency Rule law-decrees, which can be enacted during the Emergency Rule (articles 121&122) and the 'normal' law-decrees that can be enacted during normal times (article 91). In 1984, after the declaration of Emergency Rule in Bitlis and its rapid spread over a vast geography in the southeast Anatolia, the governments frequently made recourse to the Constitution, they regulated the social and economic rights of the citizens through normal law-decrees whereas The Emergency rule law-decrees allowed to the regulation of the political rights and duties (Part 1& 2 of the constitution) in the Emergency Rule region.

### **6.2.2 Re/Demarcation of a "Exceptional Geography": Civil War and The Emergency Rule (OHAL)**

In September 1983, five years after the foundation of PKK and one year before the beginning of the civil war, Turkish government passed a law, namely Emergency Rule Law<sup>140</sup> (Olaganustu Hal Kanunu – OHAL Kanunu), which aimed to define the conditions under which state of emergency can be declared and the possible jurisdictions and administrative acts following its declaration. As stated by the 1<sup>st</sup> article of this law, state of emergency can be declared as a response to:

- (1) natural disaster, a dangerous epidemic or serious economic crisis, (2) indications of emerging widespread acts of violence aimed at the destruction of the free democratic order, fundamental rights, or a serious deterioration in public order as a result of these violent acts.<sup>141</sup>

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<sup>140</sup> The constitution differentiates between the Martial Law and the Emergency Rule. In the martial law, the local governance is delegated to the military officials whereas the Emergency Rule imposes an expansion of the executive branch of the government.

<sup>141</sup> <http://www.hukuki.net/kanun/2935.15.text.asp>

In the 3<sup>rd</sup> article of the law, it is stated that the Council of Ministers may declare a state of emergency (OHAL) –nationwide or in a region– for a maximum period of six months. And it is included that this may be extended by a period not exceeding four months. Decisions of the Council of Ministers are subject to the consultation of MGK and the immediate approval of parliament that can change the duration, lift or approve any state of emergency declaration.

The Emergency Rule was differentiated from the Martial Law on the basis of transfer of authority. In martial law, as the Constitution states, the local authority is delegated to military whereas the Emergency Rule involved the expansion of the power of civic authorities, in this case the local state officials. The Emergency Rule (OHAL) replaced the martial law, which was declared after the military coup in 1980 and lasted in the region until 1987. In the early 1990s, OHAL was at its height covering 13 provinces, and it was totally dismantled in 2002.<sup>142</sup> For Cemil Kocak (2003), The Emergency Rule was a continuation of the GI of the single party era, which was based on the expansion of the executive and the delegation of the power of the Cabinet to the general inspectors. Similar to the status of general inspector, with a law-decree in 1987 (Number 285), Ozal government envisaged the foundation of OHAL governorship, which covered the cities of Bingol, Diyarbakir, Elazig, Hakkari, Mardin, Siirt, Tunceli and Van. OHAL brought all these provinces under the jurisdiction of a regional governor who was accorded extraordinary powers. The governor operated as a quasi-legal authority, he could empower security authorities to search homes and offices without a warrant or restrict public meetings. Basic political and legal rights were in abeyance; individuals could be detained for longer periods without a trial, wire taps could be placed on phones without a court order (Watts, 2010: 89) Between 1989 and 1991, the governments passed seven emergency rule KHKs, which aimed to expand and regulate the authorities of the OHAL governors. OHAL governors were accorded extraordinary powers such as to evacuate, expropriate (*kamulastirmak*), divide or combine the rural settlements, relegate public officials when necessary, delegate their authority to local governors and/or military commanders, provide gun licenses to people who inhabit in the OHAL region for a month without taking into consideration of their place of origin. As defined by the Emergency Rule, Emergency Rule KHKs are exempt from any legal examination by the Constitutional Court, OHAL governor was also exempt from any criminal, financial or legal liability for his acts.

First regional OHAL governor was Hayri Kozakçioğlu who worked as a police chief in Istanbul Province between 1978 and 1979, then as a governor in Adana and Sakarya provinces between 1980 and 1986. On January 12, 1987, he was appointed as

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<sup>142</sup> In the period between 1994 and 2001 OHAL had been lifted from 9 cities. And in 2002 OHAL was lifted from Diyarbakir, Hakkari, Tunceli and Sirnak.

the governor of Diyarbakır province. A few months later, Turgut Ozal appointed him as the first regional OHAL governor. After 4 years of duty, Kozakçioğlu was appointed as the governor of Istanbul, one of the most prestigious posts in Turkish administrative system. In 1995, Kozakçioğlu resigned from his public duty, and became an MP from DYP, a center right-wing party. In 1993, Kozakçioğlu attracted attention with a scandal regarding his bank accounts. He was accused of having transferred 2 billion Turkish Liras (approx. \$250,000) of the funds provided by the UN to his private account during his service as the regional OHAL governor. Kozakçioğlu claimed that he did transfer the money on 1991 with the approval of Interior Minister of the time, and he paid the amount back on January 18, 1993 upon the regional governor's request. However, then-Minister of Interior Affairs stated that he had no knowledge about this transaction. While the Prime Minister, Tansu Çiller, requested Kozakçioğlu's resignation, President of the time, Süleyman Demirel backed up him stating: "the funds were provided from discretionary spending in the fight against terror. We cannot disclose where the money was spent. This may create a burden for the state." (Gurbetoglu, 2011, see also Hurriyet, 2001)

Kozakçioğlu was followed by Necati Çetinkaya, and then by Ünal Erkan in 1992. A graduate of Police Academy, Ünal Erkan served as the chief of police in Ankara between 1980 and 1984, then in Istanbul and Edirne. He later was appointed as the OHAL regional governor in 1992. He later became an MP from MP in 1995, and served as a state minister during the short-lived MP-DYP coalition in 1996. During his governorship, "unknown assailant" murders became a rule in the region. JITEM, a paramilitary organization, was held responsible of the assassinations. He was the target of accusations both by the political prisoners of the military junta for systematic torture and for conniving the JITEM assassinations. (Duzel, 2009; Benli, 2013) Erkan rejected both accusations. In an interview, he argued that human right violations during his governorship were sporadic and isolated events:

Human right violations happen in every part of the world that is under an Emergency Rule. But, we should cautiously define what is a human right violation and what is not. There is no organized human right violation in Turkey or in the region. Of course, there were mistakes. But they were not intentional attempts. These unintentional/accidental acts were wrong but they were not systematic and organized. They were isolated events (...) People who argue that assassinations and disappearances are organized should prove all these. (Sik, 2002)

During OHAL, according to the 1998 report by the Turkish Parliament Investigation Commission (TBMM, 1998), a total of 3428 rural settlements were evicted, a number of 378.335 people were internally displaced. Yet, reports by NGOs and Research Associations state that around 4000 settlements were evicted leaving around 1,5 million people homeless. Human Right Association, Human Rights Watch and many other reports by international NGOs indicate that several villages were demolished or burnt during the evictions, and that some families left their villages out of fear for their lives. Turkish state argued that these rural settlements were evacuated due to the insecurity of the countryside created by the ‘terror of PKK.’ Yet one of the most detailed reports on forced migration marked to a different underlying factor

Undoubtedly, some persons were obliged to leave their villages as a result of PKK pressure. Yet, *almost all of the victims* we interviewed in Diyarbakır, Batman, Hakkâri and Istanbul told that they were forced to migrate by security officers or had to leave their villages due to pressure to become village guards (Kurban et al, 2006: 346). (my emphasis)

Between 1990 and 2002, the village guards committed more than 4000 crimes against the civilians including burning villages, land usurpation, torturing, and rapes.<sup>143</sup> As mainly Kurdish paramilitaries armed and paid by the Turkish government through local state institutions such as OHAL governor, many of the 70,000 village guards are believed to be involved in extrajudicial executions and ‘disappearances’, drug and weapon smuggling and theft.<sup>144</sup> The village guardship system helped to deepen local

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<sup>143</sup> The amendment (# 3175) to the 74th article of the Village Law was passed on March 26, 1985 allowed the village guards to become public servants who are paid by the government. By the amendment, the village guards were placed under the command of civil officers at higher levels. The size of this paramilitary force accounted for almost one-fifth of the regular armed forces in the region. Villagers complained about the guards using, destroying and seizing their land. The crucial fact here is that in the region many people do not have property deeds. Their lands, as stated, were in many cases seized by guards, creating major consequences for the post-conflict reconstruction process. (Balta, 2004)

<sup>144</sup> In February a former Batman provincial governor admitted that during his 1993 to 1997 term, his office acquired weapons worth \$2.6 million (1.5 trillion TL) to equip extraordinary units fighting the PKK including the *Jandarma*, police and the village guards. The foreign-made weapons entered the country without clearing customs. The extralegal aspects of the transaction fueled speculation that some weapons may have disappeared. There was no parliamentary investigation following the revelations. In December, however, a case was opened against four officials from the Foreign Trade Undersecretariat's General Directorate of Imports for "allowing illegal importation of weapons by the Batman governate." The defendants face sentences of between 1 and 4 years. see Country Reports on Human Rights Practices Bureau of Democracy, Human Rights, and Labor 2000 February 23, 2001 <http://www.state.gov/j/drl/rls/hrrpt/2000/eur/844.htm>, Turkey and War in Iraq: Avoiding Past Patterns of Violation, *Human Rights Watch Briefing Paper, March 2003*  
see also H. Bozarlsan (2001) “Human Rights and Kurdish Issue in Turkey”, *Human Rights Review*, October- December.

cleavages and hostilities on the local level, as the state used the village guardianship system to identify which village and/or individuals were pro-state (Balta, 2004: 13).

In the early 1990s, approximately one third of the armed forces of Turkey had been permanently deployed in Southeast/East of Turkey. The majority of the 23,000 members of the “Special Forces” working directly under the Ministry of the Interior were stationed in the area (Balta, 2004). The overlapping sovereignties of the armed actors, such as Special Forces, Turkish Army, Gendarmerie and Village Guards on the one hand and of municipalities, governors and the OHAL governor on the other created a cacophony of responsibility, which resulted in a considerable increase of human rights violations. During the 1990s, in provinces under the jurisdiction of OHAL governorship, 1275 petition files were filed regarding torture and mistreatment by security forces. Out of these petitions, 1017 resulted in persecution, and 296 cases were carried to the courts. During OHAL more than 50 thousand people were held in detention, around 40 thousand people were put into trial, and 4799 people were charged with help to the PKK. 1131 underage people were put in state security courts (DGM), 201 children were charged with terrorism.

Diyarbakir was among the cities that the turbulent years of the 1990s took its toll. In areas like Diyarbakir in which tribal relations had eroded and land property was more dispersed, it was more difficult for the state elites to control the opposition through centralized negotiation with tribes and the security forces consequently used extensive repression. Many rural migrants from the neighboring villages flooded to the city center as a result of the insecure atmosphere created by the security forces and the village guards. According to a 1995 report by the Turkish Parliament Investigation Commission regarding the extrajudicial killings, between 1990 and 1995, around 1000 people were assassinated. Diyarbakir was the first ranking city in terms of the numbers of unresolved assassinations followed by Mardin, Istanbul, Batman and Sirnak. According to the same report, targets of the assassinations were mostly self-employed professional classes, followed by students, workers, farmers and teachers (TBMM, 1995). The growing fear in the city, fed by assassinations and prosecutions, was accompanied by a growing dissent on the parts of the national media and the central government.



The 1990s were very hard years for the people of Diyarbakır. The skirmishes between PKK and the army were getting more violent at an alarming rate and there was a growing reaction towards Kurdish people in the popular media. Things got worse when Tansu Çiller announced that she had a list of Kurdish businessmen who helped PKK. Who were they? It didn't matter. All of a sudden, we all became targets of suspicion. The atmosphere was quite tense in the city.<sup>145</sup>

In the early November of 1993, short after the meeting of MGK, Tansu Ciller, the Prime Minister of the era, announced that the government had a list of the names of the businessmen and artists who helped PKK and she added that they will be called to account for their financial support to the organization. The same day, during her talk in the group meeting of her political party, DYP, she argued that all the investments to the southeast region provide a source of financial support for the PKK:

The *bandits* [PKK] extract tribute from state investments. We will do anything to prevent this (...) The number of new security forces will exceed ten thousand in the summer. Thus, they will fight against the bandits who are believed to be around five or six thousand. Their financial resources will be drained. Whatever we take to the southeast, the bandits extract tributes (...) From a number of businessmen and urban dwellers they extract tributes. *We will drain all these [resources]*. (Milliyet, 3.11.1993: 11)<sup>146</sup>

What Tansu Ciller defined as a 'physiological war' against the PKK included 'an economic war' against the Kurdish populations living in the southeast cities. A few months before her speech in this meeting, the Minister of Public Works, Onur Kumbaracıbası, sent a letter to the Prime Minister and suggested to freeze all state investments in the region: 'State auctions and the salaries of workers constitute a financial resource for the PKK that are extracted in the form of tributes given either voluntarily or forcibly.' (Dogan, 1993) Combined with the economic stagnation in the 1993 and 1994, all state auctions and investments in the region came to a halt by the 1994. These statements by Ciller were followed by a series of murders. Behçet Cantürk and his driver were found dead in Sapanca close to Istanbul. Two months later, Cantürk's lawyer, Yusuf Ekinçi was found dead. Fevzi Aslan, Şahin Aslan, Savas Buldan were found dead after being taken into custody by the security forces. (Polat, 2013)

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<sup>145</sup> Interview in Diyarbakır, August 2008.

<sup>146</sup> On November 5, Milliyet carried the list to catch line. Ciller was asked to explain all the names helping PKK, and she was accused of putting Kurdish businessmen and famous artists under suspicion. See 'İsim İsim Açıklayın,' Milliyet, 5.11.1993.

In 2011 when Yusuf Ekinci's family re-applied to the Commission of Extrajudicial Murders in the 1990s, many state bureaucrats started to talk about the execution list of Kurdish businessmen after long years. The coordinator of the Susurluk Commission in the 1990s stated that 'the execution list was prepared by Gendarme Forces, JITEM and Police Department, and later approved by MGK

I believe there is more than one list. Because many interest groups made use of the situation by preparing new lists. The people who believed that their names were on these lists paid enormous amounts of money to delete their names. The list was no longer an execution list; it was rather a rent list. (Aksoy, 2011)

In an interview in 2011, Nahit Mentese, then-Minister of Interior Affairs also admitted the existence of an execution list, and it was submitted to MGK (Calislar, 2011). The execution list was frequently mentioned during my interviews as one of the atrocities of the 1990s. Yet, very few people talked about it directly. It was Mehmet Yildirim, a former businessman, who openly talked about it. I reached Mehmet Yildirim through one of my informants who was affiliated to HAK-PAR. Mehmet Yildirim was one of few businessmen who founded DISIAD, and who used to be a very active businessmen in the 1990s. In 1995, he closed his construction firm and now he is retired from Bagkur. 'Like the rest of the businessmen in Diyarbakir,' Mehmet Yildirim was born into a poor large worker family. He went to university in Van, the department of French Literature. He worked as a teacher for a short period, but he needed to leave his public duty because of his political affiliations, which can be defined as 'leftist'. In the early 1990s, with the help of his cousin and financial support from family, he found himself in construction business. In 1992, he set up his construction firm and did well for a while.

In those years [1990s] all of us were in turbulence, in a series of economic and social conflicts. You wouldn't know where life would catch you – where and on which layer of this turbulence. The free market started with Ozal period and a war that started with this free market... The conflicts not only made commerce attractive to some people but they also created destructive economic outcomes for others. We were living under the pressure of OHAL, but we did not care. We said 'we will die eventually.' Then, we found ourselves in the middle (*kendimizi ortada buluverdik*) because we were on nobody's side. I was neither on the side of PKK, which is in a national struggle nor I was accepting the demands of the state (...) I was on the side of the right and the truth (...) In 1994, I was one of most earning businessmen in construction sector. Then, I started losing the state bids. It was few months after Tansu Çiller announced that

she has a list of Kurdish businessmen giving support to PKK. My name was also in this list of 193 businessmen... After this, I realized that I was unable to survive in business life. I changed my sector; I sold my company to a friend, and started wholesaling. In 1995, I joined Democracy for All movement and participated in 1995 elections as a candidate for municipality presidency. After the elections, I resigned from the party, and I decided that in Turkish politics, two things work: blood and capital.<sup>147</sup>

Mehmet Yildirim was actively involved in the formation of DISIAD and GUNSIAD in the mid-1990s. But during the late 1990s, he also broke off his ties with these associations.

In a country, which accepted liberalism as one of its guiding principles, I am talking about the Ozal era, and in a world in which the decisive actors are no longer states but firms, I believed in the necessity of businessmen taking the lead and the necessity of their organization under associations. In Turkey, there was the monopoly of TUSIAD, but all around Anatolia, we observed the proliferation of SIADs (local businessmen associations). After 1995 elections, I shared my ideas of organizing under a local businessmen association with my friends. 26 businessmen came together and we founded DISIAD (...) Later we helped to the organization of GUNSIAD. We, the businessmen of Diyarbakir, initiated the foundation of nine local businessmen associations in nine cities, and founded GUNSIAD (...) After a short while, I understood that non-governmental organizations and democratic mass organizations (*demokratik kitle orgutleri*) work for the interests of a few and they serve solely to accumulate interest from the center of the state (*devletten nemalanmak*). I left both, and I deleted my name from these associations. Yet, I made various and significant contributions to both of these associations at the local and regional level. I was also one of the founding members of Human Rights Association in Diyarbakir. I left this association as well. There, I saw the claim to politicized human rights, rather than human rights. In my view, every person *should* have a claim to human rights.<sup>148</sup>

Mehmet Yildirim broke off all his ties with his friends from the business world. The young generation never heard of him. Yet, the older generation who now occupies the presidential boards of DISIAD and GUNSIAD remember him as a ‘political’ and ‘confrontational’ person. The stark contrast he constructed between the liberal Turkey and the experiences of the businessmen in Diyarbakir was quite powerful. The foundation of DISIAD (Diyarbakır Industrialists and Businessmen Association) in the 1990s is quite illustrative in this regard. In the mid-1990s, a period that is characterized by the proliferation of businessmen associations all around Anatolia,

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<sup>147</sup> Interview, June 2010.

<sup>148</sup> Interview, June 2010.

local businessmen were put under custody for arranging “unauthorized” meetings. Such stories are common themes in the interviews. Many businessmen mentioned that they had been taken into custody for various reasons, were followed, or felt that their lives were under threat. A businessman who is now one of the most important firms in marble sector explains why he wanted his family to move to the western parts of the country in the 1990s:

[the insecure and threatening atmosphere in the 1990s] was not something we felt or heard, it was something we lived. One day, I was in the chamber of commerce for the general elections. Then, they called from my office saying that three people from the police came and wanted to see me... Those were the times when people who were taken into custody totally disappeared... I didn't go home nor to the office, but flew directly to Ankara [the capital city]. I stayed there for 5-6 days. But I needed to come back for my business... They stopped me on the way to the office and wanted to take me to the police station... I followed them with my car and I was thinking “if they drive to the other part of the lyceum [road heading to the outer parts of the city], I will crash the first car on the road and start shouting that they are kidnapping me”... In the police station, I was accused of helping the PKK... They had no proof, but they still kept me there for 2 days...<sup>149</sup>

The execution list was the beginning of a period of unrest and disruption for the business circles in Diyarbakir. The assassinations were followed by sporadic detentions, and in 1996 a large-scale operation was held by the security forces against the local businessmen

In this city, 152 businessmen were put in detention on the same day. We were accused of helping the PKK. We stayed in detention for five days. Many of us were tortured. 6-7 people were charged with helping PKK, and the others were set free. But what happened? These people had either left the region or they scaled down their investments and businesses. It was either on June or on July in 1996, they raided our offices. They searched our offices and took us to the police station. You can check it from the newspapers. Even *Milliyet* [a national newspaper] had a headline; it was on the first page. Check it if you want.

I will check it if you want.

I am telling you all these because people in the western parts of Turkey never heard of such things. Did you hear about it before?

No. I never heard about it. Why did they put you in detention? What was the reason?

We were charged with the help to PKK, but they had no proof, no document, nothing. They caught a confessor, and he gave some names. You can find it on the newspapers. If you put the businessman in

<sup>149</sup> Interview in Diyarbakir, September 2007.

detention, if you exert political pressure on him, if you put him under double pressure, if you force him to live under double oppression, then he leaves.

Why double?

Some of our friends talk about the oppression of PKK in explaining the flight of capital. This is wrong; this is one-sided. We should also talk about the oppression of the state, which forced us to choose a side. The state said there is no middle way. You are either pro-state or pro-PKK. What will happen to the businessman who runs a factory of hundreds of workers? The state goes, and then PKK comes. One goes, and then the other comes. His car is burnt, his workers do not come, his electricity is gone, he cannot get credits from the banks...<sup>150</sup>

Despite the widespread discourse which relate the economic underdevelopment of the region to the emergence of PKK and the support it gets from the local populations in national media and in the statements of state elites of the 1990s (see Yegen for a discussion of the state discourse on Kurdish issue), the apprehension of the businessmen found very little attention in the national media. In 1996, only *Milliyet* had a short article about 250 businessmen in Diyarbakir charged with the help to PKK and put under detention for more than a week. In the newspaper article, then-president of DTSO, Sirin Yigit, was asking for Sacit Gunbey's help, then-Minister of State (WP) who was visiting southeast cities. Yigit was 'afraid that these long detentions might trigger the flight of capital and brain drain from the city if no measures were taken immediately.' And he asked the Minister to accelerate the persecution process, which he believed 'would result in the freedom of his friends who were innocent.' (Turk, 1996)

The growing tension in the city after the 1980s due to the generalized violence and security threats, accompanied with the declaration of an Emergency Zone in 1987, accelerated the out-migration. The Emergency rule radically transformed the social structure of the city. Massive forced migration from the countryside to the city and its devastating economic outcomes such as high rates of unemployment and severe urban poverty put a huge strain on Diyarbakir. The outcomes of the massive forced migration of the displaced people, which found a widespread academic interest, should be analyzed under the light of the replacement of human and economic capital in the city and the asymmetrical migration tendencies starting from the 1970s. In the narrations of the businessmen and many local people, the future of the city of

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<sup>150</sup> Interview in Diyarbakir, June 2010.

Diyarbakir highly depended on the ‘future investments’ (see chapter 3). From this perspective the flight of capital ‘that never came back despite the subsidies’ led to a deep disappointment among local businessmen (see chapter 7).

### ***6.3 Recapitulation***

Chapter 5 discussed how national economy emerged out of a paradox in the legal system: the Emval-i Metruke Laws, which consist of an ensemble of self-contradictory laws and decrees blurring the contours of the property right as well as the very concept of the right itself. It also discussed the establishment of GI as a response to the Kurdish uprisings in the southeast cities, which constituted not only an exception to the 1924 Constitution, but also meant a delegation of authority of the executive branch of the government to the local governments. Starting from the confiscation of Armenian properties and following the meandering paths of the economic development during the 1940s and 1950s, Chapter 5 discussed how economic structure of not only the region but also the Turkish Republic has evolved out of insecure conditions prepared by violence, massacres, lootings, and mobs in front of a background of wars.

This chapter rather concentrated on the constitution of the liberal market after the 1980 military coup, which suspended the civil government and the Constitution for three years. During the military junta, many economic reforms, which aimed to constitute a liberalized economy based on exportation, were arranged through law-decrees bypassing any form of democratic government. The era of civilian governments under MP and the leadership of Ozal followed the path of the ancillary mechanisms of the military junta. Almost every element of the economic reform program including the establishment and the revision of export and import regimes, privatization, re-organization of the rights of civil servants or workers were arranged through law decrees many of which are still waiting to be laid before the parliament. During the 1980s, KHKs transformed from derogatory and exceptional instruments for normative production into ordinary sources for the production of law, and they helped to create opportunities, for a minority, who enjoy political accommodations and conditions not granted to the rest of the population. In this sense, they created not only exceptions to the legal system itself but also exceptions for certain segments of

the population. Export regime, privatization and banking system soon became corrupted mechanisms of capital accumulation.

Another important mechanism employed to facilitate the neoliberal reforms was extrabudgetary funds, which had put a stain on the transparency and accountability of the liberal economic experience. They created not only a corrupted system of arbitrary spending decisions based on political patronage and undermined fiscal discipline but also led to speculations regarding the relations between the economic stagnation and instabilities of the 1990s and the financial costs of the civil war. Since the expenses of military operations were funded through an extrabudgetary fund, the Defense Industry Fund as well as contributions from the Ministry of Interior Affairs, extrabudgetary funds turned into a controversial topic in discussing the funding of the civil war, which reached its peak point through the creation of various paramilitary organizations such as village guardships, special teams or JITEM.

The loose conception of the rule of law and the weak commitment to democracy during the economic reforms took devastating forms in the 1990s, short after the establishment of OHAL in 1987. OHAL certainly worked as a symbolic border separating order from disorder, loyal from rebel, Turkish from Kurdish, development from underdevelopment in the popular imaginary. It also worked as a symbolic order separating the ordinary from the extraordinary in the legal system characterized by the infringement of human rights and a total freeze on the Constitution and constitutional rights. OHAL was also characterized by the strong political polarization led by the state in the countryside through village guardship and in the cities. As defined by a businessman of Diyarbakir, the civil war constituted ‘an economic war’ to the people inhabiting the southeast cities. The paranoia that every economic activity is shadowed by PKK supporters resulted in a strong political polarization within the urban economy. Detentions, tortures, executions radically transformed the formation of the capitalist classes in OHAL provinces.

Next chapter will discuss the impacts of these exceptions on the capitalist class in Diyarbakir and Gaziantep. Characterized by high flow of migrants due to economic and political regions, the southeast region under Emergency Rule also witnessed the rise of a new capitalist class in Diyarbakir, mainly coming from migrant families who migrated to the city center during the 1970s. This rapid upward mobility stemmed

from the economic lacunae created due to the conditions of the war. The bourgeois class in today's Diyarbakir set up their businesses after the military coup, under the Emergency Rule and in the insecure conditions of the civil war. On the other hand, neighboring cities with pro-business environment such as Gaziantep served as a terminus for the capitalist class of the cities under the Emergency Rule. Gaziantep's economy consisting of traditional families with the strong identity of Gaziantepi absorbed the capital flew from eastern cities, turning it into an advantage, specifically during the restructuration of the Iraqi market after the second Iraq war.



## 7. The Boundaries of the Market: State and the Dynamics of Local Economies

In Turkey, we have this dilemma. We have Halis Toprak, and people like Tatlici family who are known to have close contacts with Ozal. The same goes for the Ceylan family (...) These people are all from Diyarbakir, but they do not care about being Kurdish. We should never forget about *the boundaries of the market*. If a Kurdish rich does not care about his own market, if he is not in a conflict with the state regarding his own market, if he is in Istanbul then these people are not Kurdish bourgeoisie. Although the globalization turns these parameters upside down, in order to be defined as Kurdish bourgeoisie, this group of people should have a sensitivity regarding the Kurdish identity. *He is born into Kurdish family, his mother and father is Kurdish but he invests in Greece. Can we define him as a part of Kurdish bourgeoisie?* My personal view is that in Diyarbakir there is no real bourgeoisie [before he mentions about OHAL and the ways Turkish state prevented capital accumulation in the region]. Very roughly, I can tell you that there is a middle-range bourgeois-like group of people who are striving to become a Kurdish bourgeois class.<sup>151</sup>

The permeability of state sovereignty and its working in a graduated fashion across geographies and various classes have definitely put its mark on the relations between the capitalist classes and the state. This chapter discusses how the liberal market, which is built upon extraordinary governance techniques shaped the local economies in southeast Anatolia. It gives insights regarding the changing dynamics of the local economies and of the altering capitalist class and forms of wealth accumulation in relation to the civil war. It examines the ways in which the businessmen in two localities situate themselves within their local economies, and perceive the boundaries of their market in relation to the broader referents of identification such as globalization, nation, ethnicity and class. It also discusses how the businessmen situate themselves vis-à-vis the state; perceive the latter and its role in the formation of local economies. First section discusses the business circles in Antep that hold extremely strong attachments to a local identity produced through a blend of local attachments such as ‘innovative genes,’ ‘the spirit of Antep,’ ‘a continued local tradition’ as well as a part and a protector of the welfare of the Turkish nation. Second

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<sup>151</sup> Interview in Diyarbakir, September 2007.

section examines the business circles in Diyarbakir that constitute a loosely attached local community, which attempt to define itself in a tense relation with the state.

### ***7.1 The Boundaries of the Market: ‘Neglect’ in the ‘Normal’ Geography***

Here in Antep, we do not live in the Turkish Republic. We do live in the SANKO Republic.<sup>152</sup>

With the establishment of the Turkish Republic in 1923, Gaziantep adapted quickly to the rules of the new economic order and became an important regional centre in southeast Anatolia (see Chapter 5). The new bourgeois class of Antep was successful in attracting state resources, and combining them local resources inherited from their nonexistent rivals in the local economy, the Antep Armenians. Along with the accumulation of capital created through the smuggling activities, the construction of *Birecik Bridge* in 1956 connected Antep to the east and created a “locational advantage”. The city gradually became a locally distinguished centre of repair work: *karosercilik* (vehicle repairing), *tornacılık* (turnery), and *kaportacılık* (car hooding). In the 1950s and 1960s, the city centre of Gaziantep started to receive migration from neighboring cities (Maraş, Şanlıurfa and Adıyaman) in noticeable though small records. In 1965, almost 8% of the population was born outside Gaziantep. Nonetheless, this percentage is rather low when compared to other provinces in Anatolia such as Kayseri (18%), Konya (15%) or Eskişehir (46%). (Imar ve Iskan Bakanlığı, 1966; Tümertekin, 1968, Karpat, 2004). In the late 1960s and the 1970s, factories mushroomed and diversified in Gaziantep. The city was covered by the law of *Kalkınmada Öncelikli Yöreler* (Regions of Priority in Development) from 1968 to 1973, and then later from 1978 to 1981 (DPT, 2000). An *Örnek Sanayi Sitesi* (Pilot Industrial Zone) and *KÜSGEM* (Small Industry Development Centre) were established in 1974 and 1972, respectively, with the cooperation of the Ministry of Industry and Commerce and the United Nations Industrial Development Organization (UNIDO). The Organized Industrial Zone established in the early 1970s created a rapid proliferation of manufacturers; the number of factories almost doubled between

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<sup>152</sup> Interview in Gaziantep, September 2009.

1973 and 1981, the share of textile manufacturing increased by 40%, and food manufacturing increased by 30%.

The lessening of the strategic position of notable families in the 1960s, and their total fading in the economic and political field in the early 1970s, led to the emergence of new actors and interest groups (for a detailed discussion of notable families of Gaziantep, see Karadağ, 2004). The new actors were mainly merchant families and the relatively weak industrialists of the early Republic who had clung to the trend of industrialization in the 1960s and 1970s and gained a huge influence in the city during the 1980s. The giant firms of Antep, such as SANKO, started to become visible in the early 1980s. Today, as many locals state, SANKO has a sheer power on the local economy and has been a significant actor guiding the way to success for many local business people.

### **7.1.1 Antep: The ‘SANKO Republic’**

Konukoğlu family is one of the most influential families in Gaziantep. According to the list of *100 Most Wealthy Families in Turkey*, which is annually prepared by *Economist*, they are the 19<sup>th</sup> wealthiest family in Turkey. Today, SANKO, owned by the Konukoğlu family, is a prominent business group of 60 firms employing more than 15.000 employees, producing in the sectors: textile, construction, finance, energy, food, health care, yacht production, education, and packing. The family's adventure in textile production dates back to the early 1900s. In 1904, Sani Efendi (Konukoğlu) started textile production with two weaving counter in a cave in Antep. This year is accepted as the foundation year of the SANKO Holding. Recruited as a soldier, Sani Efendi was sent to Yemen, and he never came back. His wife, Hatice, took over the business. The WWI years were harsh, resources were scarce and Hatice Hanim needed to sell off the weaving counters. After the end of WWI, their son Zekeriya continued the family business and increased the number of weaving looms to 70. The architect of the conglomerate is Sani Konukoglu who was born in 1929 and named after his grandfather. Despite the unstable economic and political atmosphere in Turkey, Sani Konukoğlu succeeded to cling to the wave of industrialization under ISI period and established a huge industrial firm in the southeast Anatolia throughout the years. Through his close contacts with the textile producers in Istanbul, Bursa and Aleppo, he started using motorizing counters in weaving in the early 1950s. In 1962,

he started cotton production with the old and “redundant” machines in a cave in Sehrekustu. In 1963, with the help of state incentives, his cave-factory was turned into a cotton-fiber factory, and in 1965 he started towel production with the counters he brought from the textile center, Bursa. In 1966, he established *Hilal A. Ş.* (Unlimited Company) and later in 1968, he developed *Hilal A.Ş.* into a 25.000 spindles of fiber facility project. In 1977, *Hilal A. Ş.* was named SANKO Textile Corporation inspired by the initials of Sani Konukoğlu.

Sani Konukoglu died in 1994, leaving a lucrative business to his six children. Abdülkadir Konukoğlu, his eldest son, replaced the presidency of SANKO and turned the company into a huge conglomerate upon his death. For his son, Abdulkadir Konukoglu, the success of his father lied in his honesty and hard work. Yet, he adds that Sani Konukoglu’s distant approach to politics protected his company from the turbulences of Turkey. This distant attitude characterizes the general political tendency in the city. As one of the owners of a medium-sized carpet factory in the Organized Industrial Zone puts it: ‘business comes first.’ Similarly, in an interview, Abdulkadir Konukoglu stated: “there is no difference between *A* party or *B* party. What we need is economic and political stability.” SANKO’s expansion to the sectors other than textile dates back to the early 1980s. The adoption of export-oriented strategies by the Ozal government gave a further impetus to the firm’s development. Abdulkadir Konukoglu emphasizes the importance of his father’s foresight: “In 1978 my brother Zeki came back to Antep from Manchester, then my younger brother Adil came back from USA and joined the SANKO. We are lucky, their knowledge and education helped us in finding external markets and investing in sectors other than the textile, which was our family tradition.’

The end of 1980s was an important period for not only the business circles of Antep but also the SANKO. Sani Konukoğlu leading the industrialists of the city initiated the foundation of Gaziantep Chamber of Industry in 1987 and separated the industrialists from the Chamber of Commerce and Industry. As Oncu (1980) discusses, in the late 1980s, many Anatolian cities were the cradles of strong class divisions between the commercial and industrial capitalists, which resulted in the split of Chambers of Commerce and Industry. Sani Konukoglu, representing the interests

of the industrialists of the city carried out the presidency of the Chamber of Industry until his death in 1994.

In many ways, SANKO worked effectively to constitute a corporate regime in the city defined through the interests of the industrialists and the manufacturing industry. The foundation of GAGIAD, which can also be seen as a response to the establishment MUSIAD by the Nakiboplu Family (see Chapter 3), reinforced the decisive role of the SANKO in local politics but also provided an institutional representation in the eyes of the metropolis-based capitalists. Abdulkadir Konukoglu is a presidential member of many local, regional and local business associations such as Textile Council of TOBB, GSO, Southeast Anatolia Textile and Raw Material Exporters Union, and Council of Free Zones in TOBB. He is known with his distant attitude to the metropolis-based capital. In one of his interviews in the early 2000s, upon a question regarding his opinion about TUSIAD

I do not become a member of such places. In the past, they [TUSIAD] never accepted business people from this region. Later [In the mid 1990s], they offered me to become a member, but I chose not to. Their purpose was different, they wanted to create an image of unity: ‘We are also embracing the southeast, We are all united.’ But we did not give them to use this opportunity. (Findikci, 2005)

Later, in an interview he gave to a popular newspaper in Turkey, he told the reporters that his decision of not being a member to TUSIAD is not a matter of persuasion but a matter of “principle.” Abdulkadir Konukoglu is a fervent defender of the Anatolian capital and the dreamer of an industrialized Anatolia:

In Istanbul, the industrial development is now of secondary importance, and in the near future it will come to an end. Istanbul will become a financial and touristic center. The center of industrialization will be Anatolia. The Anatolian capitalists have reached a level, you find it enough or not. There is an industrial development; the Anatolian capitalists are advancing with steady steps. (Kadak, 2010)

Under the leadership of SANKO, which dominated the presidential cadres of GAGIAD and GSO, Gaziantep’s industry grew steadily during the 1990s. The second and third industrial zones (1989 and 1994) were established, and the 24 subsidy papers that existed in 1990 increased to 31 by 1994, and then to 208 by 1995. In 1998, the Gaziantep Free Zone was established, and had its peak in the early 2000s in terms of total trade volume. The improving economic relations with the EU through the

Customs Union in 1995 intensified after 2001, as the EU became a powerful external actor in the Turkish political economy. Gaziantep was again among the first cities to catch this economic trend (see Chapter 4).

SANKO is a source of pride for many businessmen in Antep. The Holding is a representative of not only the success of Antep but also the industrialists of the Anatolian cities. It proves that Istanbul, the commercial hub and Ankara the capital city are not the center of Turkey. A young businessman, Omer Tahtaci, claims that SANKO is not only a source of pride but also a hope for the city dwellers. Gaziantep is known for keeping his young generation of investors in the city. Omer Tahtaci is the youngest son of a family whose commercial roots in the local economy lie in the traditional craft of the city *karosercilik* (vehicle repairing). His grandfather was a well-known *karoserci* and a respected figure known to be an honest person who loved Antep. Omer studied business administration in Istanbul University, and then lived in New York for a year. He was there to improve his English but he also tried to contact fashion designers and create awareness for the wedding dresses that they produce. With his mother and his elder brother, Omer now runs a textile business; they produce wedding dresses for more than twenty countries. He is an active young member of GAGIAD and seen as a ‘promising young businessman.’

In my opinion, the most important factor underlying the success of this city is SANKO. SANKO breaks the prejudices in peoples’ minds. Think, it is always taught us that the real life is in Istanbul, this is why many people migrated to Istanbul, to the city of gold (*tasi topragi altin*). Think about all these movies, rural people migrate to Istanbul, all those stories (...) But SANKO proves us that it is possible to become rich without going anywhere.

Is this the reason why you came back?

I came back because I felt responsible to my family. In Antep, family ties are important. To be honest, sometimes I miss my life in New York or Istanbul. But I was there for a reason. I needed to come back and turn the efforts of my family into a benefit for them and for the city (...) I believe in Antep and I believe that here many people are working honestly for the well-being of the city. My belief is partly because of the existence of an economic power like SANKO, which never gave on this city.

So their power is not intimidating...

Why should it be intimidating? There is enough place to live in Gaziantep and there are enough markets all around the world.

What if you had clashing interests with such a huge economic power?

I can never imagine such a situation. Antep is not just SANKO. We have many other successful firms. I never heard of such situations [clashing interests]. You know, I also work for GAGIAD.<sup>153</sup>

During our first interview, Omer talked about his posts in GAGIAD, the meetings that he attends and how his observations in GAGIAD shape the way he perceives the business life. His work in GAGIAD helped him to ‘encode’ the ‘strange codes’ of making commerce. In GAGIAD, he was responsible for the publication of the GAGIAD magazine in which he had a column. ‘I write cultural stuff’ he said. ‘I like reading a lot, this is why I forced them to have a column on culture.’ Then, he started talking about the novels and the movies that he likes, and how he needed to censor himself and his preferences in his column.

Because they will not be understood by the readers. So, I write very popular stuff (...) And with my friends, I need to watch *Kurtlar Vadisi* [a very popular TV series in the 2000s] or things like that in order to be included in daily conversations although I prefer watching CNBC-e TV series (...) This is a small community and everybody knows each other. You cannot talk about what you like or what you think very easily, there is always the risk of being excluded. Not because they will intentionally exclude you, but you cannot adapt to the people around you (...) You have to marry the person that your family wants, entertainment is meeting your male friends in *bagevi*, watching TV series, soccer games and drinking *raki*... We have very few bars. We had a rock bar, and now it is closed. Yet going to bars is not usually well responded (*iyi karsilanmaz*). Many of my friends had their university education in the West, but they are happy here, they adapted very quickly to the social life in the city.<sup>154</sup>

Our conversations with Omer were full of these contradictory thoughts. Sometimes he said that he is happy when he finds ‘a new firm in a country, which buys his products,’ then he started talking about how he feels alienated to himself in the social life of the city. He fervently defended how his family runs the company harmoniously:

We are very democratic in our decision-making processes. In our company we have a rule: if there are different views regarding a decision, a *persuasion* process starts. So, we do not believe in the vote of the majority. Every person defends his position and tries to persuade the others that his view would be better for the firm. In the end, every

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<sup>153</sup> Interview in Gaziantep, September 2009.

<sup>154</sup> Personal Conversation in Gaziantep, November 2009.

decision regarding the firm is accepted unanimously. Its consequences bind everyone.<sup>155</sup>

This harmony, which runs the firm of Tahtaci family, is clearly situated within the general local political dynamics of the city: the collective mind of Gaziantep, which works unanimously through persuasion, uniting around common ideals and harmony.

Konukoğlu family is very conservative in showing off their wealth; vanity of wealth is not welcomed in the family. In effect, this is a general cultural code in Antep (see chapter 8). However, it is known that along with its factories and investments, Konukoglu family holds an important reserve of real estate and land. The SANKO Republic refers to not only the fact that “half of the city is owned by them” but also the family’s sheer dominance in the local economy and politics. SANKO Republic was first mentioned during one of my visits to a medium size carpet factory in 2009. The owner of the company accepted to see me because I contacted him through a friend of his father, a respected elder businessmen whose economic presence almost perished after the 1990s. The owner of the carpet factory was in his 40s, graduated from high school. In the early 1990s, he expanded his father’s production atelier and turned it into a medium-size carpet factory.

My firm is a medium-size factory; I produce mainly for the internal market. But you know that Antep’s economy is built upon medium-size firms and small-size firms although they [GSO and GTO] give the impression that in Antep everyone is an industry giant (...) I am struggling to survive, of course we have searches for external markets, but I have to be realist. In the near future, I do not see any possibility of exporting to that or this country (...) Here in Antep, we live in the SANKO Republic (...) We say SANKO Republic because they own half of the city.<sup>156</sup>

Many medium-size firm owners were not as optimistic as Omer Tahtaci in GAGIAD. In one of my interviews in 2009 short after the Prime Minister Erdogan announced that the worldwide economic crisis has just ‘touched’ Turkish economy, another carpet producer was complaining about the image of the city:

Things are not going well in Antep. We had to stop production like many other firms. But look at the big names of Antep, the presidents of the Chambers. Look at their optimism. The crises are moments when some people get richer and some people get poorer. Many businessmen in

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<sup>155</sup> Interview in Gaziantep, June 2008.

<sup>156</sup> Interview in Gaziantep, August 2008.



Antep got richer after the April 5 (1994 crisis) and after the 2001. Why? This is because the wealthy class (group) of this city holds large reserves of money in their hands. And when there is a crisis, they start looking for those who get weaker. I have many friends who lost their business in the offices of those famous wealthy businessmen. So whether Antep economy is doing well or not depends mainly on who is talking, and from which point of view.<sup>157</sup>

Although difficulties of access to loans and credits from banks, state auctions and state incentives are never mentioned as structural obstacles by the firm owners, many of them mentioned that they apply to different sources of financing during times of crisis. This brings the question of the owners of bigger firms as not only the important decision-makers but also the financial supporters of the local firms in the urban economy. The financial support comes with a cost: the perpetuation of the corporate regime in the city defined through the interests of the industrialists and the manufacturing industry. SANKO has been the landmark of Antep's economy, yet SANKO Republic also points to the persuasive dominance of the interests of big business firms in the city. In this sense, GSO and GTO, believed to be dominated by the interests of big firm owners, are also a source of objection for many small and medium-size firm owners. The local economy in Antep is mainly built upon the medium-size enterprises along with a lively supplier industry. These small and medium ateliers, as many argue, constitute the backbone of Antep's economy.

### **7.1.2 Legitimization of Wealth: A “Neglected” Cosmos of “Invention”**

The skilled craftsmen of Gaziantep, who are now producing machinery parts for the textile industry, started as apprentices in the small industrial sites of Gaziantep. It is mainly argued that the small enterprises in Örnek Sanayi Sitesi and KÜSGEM are the real actors behind Antep's success as an “Anatolian Tiger”. The craftsmen in these small sites without any formal education and “any support from the state” became “worldwide names” as they designed their own machines. Örnek Sanayi Sitesi, being the second of its kind in the world<sup>158</sup>, was founded in 1974 with the support of World Bank. Mehmet Haratoğlu, the president of Örnek Sanayi Site, argues that firms in the latter are the “real Anatolian Tigers” as they worked hard with very scarce resources

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<sup>157</sup> Interview in Gaziantep, November 2009.

<sup>158</sup> First version was founded in India in 1973.

and “no support from the government” and succeeded to become the support behind the worldwide firms. He continues that Örnek Sanayi witnessed many innovative discoveries: “First escalator factory was established in our site. Here, we have many craftsmen who have no education at all, but still are very skillful and full of desire to produce and innovation. They design their own machines and now some of them became worldwide names”.<sup>159</sup> His examples such as a craftsman who produced a “jet engine” in the 1970s also echo in the city and reproduce a local pride based on the “innovative genes” and reinforce the ideal of the aptitude of the people of Gaziantep as the versatile investors. All these stories mark to a general obsession of the 1970s, of the ISI: almost everything could be manufactured in Turkey. As Barkey (1990: 60) argues “the strong underlying nationalistic appeal of such an obsession increased the allure of ISI, and was also responsible for some of the fantastic projects proposed later, such as the manufacturing of jet aircraft and tanks. While these were quickly dismissed, the dominant political view lent itself to the consolidation of ISI as the strategy for industrialization.”

Mennan Aksoy, known as Mennan Usta, is a famous craftsman, an icon in the local economy. He is believed to have “international fame” as an engine fitter and an “engine artist.” After long years of work in his small atelier, now he is the owner of Özçelik A.Ş. During our interview in his office, he talked long hours about his new project that is now supported by TUBITAK. Mennan Usta is known as one of the architects of SANKO’s success.

We used to go to international machinery fairs all around the world with Abdulkadir Konukoğlu. You know, the machines used in textile production are extremely expensive. I was examining the machines during the fair. And when we get back to Antep, I was either upgrading and modifying our machines regarding what we saw during the fairs, or I was building new machines (...) Then one day in France, they did not allow us to enter. We were surprised to see that the guards in the entrance had a picture of me and were told not to let me in. Now, I am in the black list. This was the end of our partnership with Abdulkadir Konukoglu (...) In the past, I was a craftsman, to be honest I was imitating most of the time. Now, with this project I am producing my own designs (...)<sup>160</sup>

<sup>159</sup> Interview in Gaziantep, November 2009.

<sup>160</sup> Interview in Gaziantep, November 2009.

With the project of TUBITAK, Mennan Usta aims to create his own yarn machines and export them to the world. When I was leaving his office, he gave me many pamphlets of his machines. ‘Distribute these in Budapest,’ he said. ‘Who knows from where come the customers?’

The local success of Gaziantep built upon the idea of the ‘singularity’ of Gaziantep is a narrative, which invaded not only the Small Industrial Site of the city but also the presidential cadres of GSO and GTO. Gaziantep was left alone by state, yet managed to jump the scale and “succeeded to become of the most attractive centers in Anatolia with no KİTs and no state investments.” Proud business circles of Gaziantep make references to either “genes” of the people of Gaziantep, which carry “strong commercial sense” or “soil” of Gaziantep, which is fertile enough to grow everything on it. Although Antep was within the implementation of PAD (see chapter 3), and made ample use of state incentives during the ISI era, the story of Gaziantep is the story of a ‘lone hero,’ an economic center, which ‘always paved its own way.’ The case of Gaziantep is defined as an ‘exception,’ a ‘singular case,’ which is not ‘comparable.’ All the firm owners from medium-size firms to huge conglomerates were mainly claiming that their success was ‘penalized by the state.’ During my interviews with the presidential cadres of GSO and GTO, I tried to confront this narrative

What are the main problems of Gaziantep’s economy?

Our main problem is the institutionalization of family enterprises. Gaziantep’s economy is mainly built upon family enterprises and we have to create the standards of a modern economy [institutionalization of family firms]. Some big firms are working on family constitutions; some others are working on internal regulations of employment. These are the problems that we GTO are working on for the moment.

Do your members witness any structural obstacles such as difficulty in financing business? Getting bank credits?

No, not really. If they are experiencing such problems, then this means there is something wrong with their business. We give full support to our members in dealing with such procedural obstacles (...) But if we need to speak about the state and state support, then we have to talk about the subsidy scheme. We have many problems with this. Now, Gaziantep is in the 3<sup>rd</sup> layer /region of the subsidy scheme. This means it is in the same scheme with the places that are very close developed centers. This is a problem. Gaziantep has never received state support. The success of Gaziantep is mainly built upon the hard work of our people (...) We alone built all of our four organized industrial zones. We initiated Free Zones.

These are all success of the Gaziantep businessmen. But how can we carry on without the support of the state?

But how come Gaziantep has never been within the state subsidy schemes? What about GAP?

GAP is an agricultural project (...) In the 1990s they wanted to establish GAP-GIDEM within GTO. We closed the office a few years later (...) They were working with quite outmoded methods. We couldn't agree with them, and we closed the GAP-GIDEM.

What about the PAD?

This makes no difference. When we say state support, we talk about state economic enterprises (KITs). Our state has established none of the KITs in Gaziantep. So the capitalist class of Gaziantep was *forced* to free enterprise.<sup>161</sup>

As I have already sketched in chapter 2, the success of the Anatolian Tigers and the new Anatolian capitalists lie in the ISI period, which is characterized by the ideal of a homogenous economic development. Almost all of the industrial centers in Anatolia emerged after the mid-1990s were within the implementation of PADs during the 1970s. However, when it comes to state subsidies, the locals of Antep emphasize the absence of the KITs and state-led enterprises, which, in their view, resulted in the individual attempts of free enterprise by the locals. This feeling of negligence and omission by the state reinforces the 'singularity' of the Gaziantep model bolstering up the orthodoxy of the latter in the eyes of the locals and state officials. In the narratives of the local businessmen Gaziantep is isolated and singled out from the general course of political and economic policies of Turkey, including the civil war, which radically restructured the accumulation strategies and the spatial division of labor in Turkey and in southeast cities.

### **7.1.3 Invisible Actors of the *Exception*: Another Way of Telling Gaziantep's Economic Jump**

Although the proud business circles of Gaziantep explain the success of their city through the 'entrepreneurial essence' of their city, a recurrent argument in my interviews with the locals was that migrant entrepreneurs owned more than half of the factories in the Gaziantep industrial zones. Given the economic leap of the city in the last ten years, this constituted a stark contrast to the general narrative relating the local success to the entrepreneurial genes of the city dwellers. The former mayor who openly identified himself as Kurdish, Celal Dogan (see Chapter 4), is usually accused

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<sup>161</sup> Interview in Gaziantep, May 2010.

of opening the doors of the city to Kurdish businessmen who ‘brought their co-locals with them’.

Hasan Konak is a member of one of the oldest families of Gaziantep; a notable (*eşraf*) family that held a religious prestige in the late empire period. During the republican years, Konak family had converted this symbolic capital into politics and had been quite influential in local politics of the city until 1970s. Hasan Konak now runs a small shop in Değirmişem, selling white goods and household appliances. He is also one of the founder members of *Gaziantepçiler Derneği* (Association of the People of Gaziantep). He mentions a research they have conducted as the members of *Gaziantepçiler Derneği*. The research is about the “real people” of Gaziantep, the “real” *Gaziantepçiler* who developed into a minority in the city. The real people of Gaziantep, Konak says, are only 7% of the whole population. His definition of Gaziantepçiler is quite refined, excluding the migrants who migrated to the city from the villages of Gaziantep. He continues: “The culture of Gaziantep should live and be transferred from generation to generation. This is why we founded this association.”

A driver, Mehmet Kuşka, migrated from Diyarbakır to Gaziantep to work in a factory owned by his co-local. On our way to the Organized Industrial Zone, he says that he feels quite comfortable in the city: “70% of Gaziantep’s population are the people of eastern origin. So, we are majority. This is what the local people say”. These conflicting percentages resonate in the social imaginary of the people of Gaziantep in quite different ways. For the local people, especially for the notable families whose political and economic power eroded significantly since 1970s, it symbolizes the “lost Gaziantep”, which is not theirs anymore. For the migrant entrepreneurs and for the newly emergent classes of the city, it refers to the “cosmopolitan Gaziantep” where differences are welcomed and mobilized for the sake of the city.

Gaziantep, which already had become an economic centre in the 1970s due to the state incentives and industrial investments, could attract not only “cross-regional investments” (Özcan, 2000) but also hesitant entrepreneurs who failed to achieve economic success in their hometowns. The pro-business local politics and the coalition between local entrepreneurs and the local state institutions starting from the 1990s have strengthened the economic pull of Gaziantep. The migration of upper

middle classes had mostly involved migration of small or large families.<sup>162</sup> For most of the migrant entrepreneurs, migration to Gaziantep was *voluntary* and motivated by expected *economic benefits*, more specifically a better business including higher earnings, greater status and more possibility for expanding their business. The general myth of the “timidity” of capital intermingled with “unstable political and economic conditions” of their hometowns provided the background of their answers. Another reason mentioned frequently was the structural difficulties in carrying out business in their hometowns such as obstacles to loans and credits from banks, state auctions and state incentives.

A young businessman from Siirt who migrated to Gaziantep in the early 2000s and who is establishing his new company on manufacturing and selling *Bizer Zebes* (melon seeds) talks about the fierce competition in his hometown.

You have to be naïve to believe that you can expand your business in Siirt. The cake is quite small and the pieces are not distributed evenly. You have very limited opportunities. I came to Gaziantep because the city offers more opportunities to entrepreneurs. Here, if you work hard and have good connections and if you are lucky, you can achieve something.<sup>163</sup>

Among the opportunities and the chances that the city offers to the migrant entrepreneurs, a cooperative local state and a flexible business circle, which adapts to political changes in Ankara easily, hold the position of being important factors. Celal Akdemir’s story fits into this quite well. Celal Akdemir used to run a coalmine in Cizre, and then in the early 1970s, due to economic reasons and the education of his children he migrated to Ankara. Having stayed there for many years, he came to Gaziantep in the mid-1980s. He and Celal Dogan are known to be close friends.

I chose to come here from Ankara. In Ankara, you have just politics. In Gaziantep you have both economics and politics. In Turkey, if you want to run a business, you have to have good connection with the politicians.<sup>164</sup>

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<sup>162</sup> Friends and family members who previously migrated to Gaziantep provided “necessary insider information” about business life. In some cases, friends and relatives stimulated the migration process. Most of the respondents migrated to Gaziantep with their large families and started a “family business”. Solidarity among family members continues to exist although they work in different sectors. Family ties are “important support mechanisms” for many migrant businessmen.

<sup>163</sup> Interview in Gaziantep, May 2009.

<sup>164</sup> Interview in Gaziantep, June 2009.

The strong coalition between local businessmen and local state institutions and the weight of businessmen and business interests in local politics not only facilitated the economic integration of Gaziantep to global capital flows but also created a “convenient business climate” for migrant entrepreneurs in the region, especially in the 1990s. The size of the city added a new twist to the picture. A businessman explains how they decided to move to Gaziantep. The family migrated to Antep in the late 1970s. In Siirt, they were in wholesaling business and used to come to Gaziantep, buy staff and distribute it to cities in the East and Southeast Anatolia.

Then, we felt the necessity of improving our business. We wanted to go to somewhere else. My father had İzmir in his mind whereas my brothers were willing to go to İstanbul. My eldest brother insisted that we should come here. First, we knew the city. Second, we did not want to get lost in İstanbul or İzmir.<sup>165</sup>

It is not possible to argue for a total exclusion of the migrant entrepreneurs. Some of them constitute trademarks of Antep’s economy and included into the narratives of the local businessmen as exemplifying the success of Gaziantep. Besler Group<sup>166</sup> and Solen Cikolata are such trademarks. Coban family, owning Solen Cikolata migrated to the city from Sivas in the 1970s due to economic reasons and started a small family business on cologne, deodorants, and shampoo production. In a short while, family company *Yayla Kozmetik* flourished in decades and developed into a chocolate factory in 1989, *Solen Cikolata*. In the early 1990s, the company had difficulty in

<sup>165</sup> Interview in Gaziantep, June 2009.

<sup>166</sup> Çakmak Family is leading one of the biggest wheat flour factory in Turkey and Middle East, *Beşler Un*. The family ran a large company in food wholesaling in Antep. In the early 1950s, Çakmak Family used to buy food products from Gaziantep, bring them to Siirt and then, sell them back to east and southeast Anatolia. In the early 1980s, the family decided to migrate to Gaziantep. After ten years of food wholesaling experience in Antep, they embarked on a new business career in food manufacturing and established *Beşler Un* in 1993. The turning point in the economic history of Beşler Group is the Iraqi War in early 1990s. The company became the official wheat flour supplier of United Nations, and then expanded its export area by adding National Supply Corporation in Libya, Red Cross and Iraq Ministry of Trade in the late 1990s. With more than 1000 employees, today Beşler Un exports 40% of its total production to more than 50 countries including Iraq, Libya, Syria, Turkic Republics, Indonesia, Azerbaijan, Georgia, and Northern Cyprus. Being the biggest wheat flour factory in Turkey, the firm sells 60% of its production to Turkey, specifically to east and southeast Anatolia due to the wide distribution net stemming from the family’s wholesaling experience in the past years. *Beşler Un* is first listed in the Top 500 Industrial Establishments of Turkey in 2000, and it ranked 13th in 2008. Çakmak Family bought the huge factory of the famous *OBA Makarna – OBA Makarna* was the first nationally known pasta brand of Gaziantep – in 2004 and established *Beşler Makarna*. Today, *Beşler Makarna* exports to 52 countries in Europe, Africa, Middle East and Asia. For branding and increasing the awareness of *Beşler Makarna*, the company initiated a chain of pasta restaurants in 2008 in Gaziantep. In 2006, Kemal Çakmak became a member of Presidential Board of Turkish Pasta Manufacturers Association (TMSD) and stated that his election to the Presidential Board of TMSD will allow him to express and remedy the problems of pasta manufacturers of Gaziantep. Kemal Çakmak is also a member of the presidential board of MÜSİAD Gaziantep.

selling their products to the national market. However, the dissolution of the USSR was a useful stepping-stone for the company. Until 1997, Şölen's total export was to Russia and Turkic Republics. Economic crisis in Russia in 1998 had rather a positive effect since the company started exporting to Middle East countries. *Şölen Çikolata* recorded a significant boom in exports and broke through the 2000 crisis by growing 300 times. In 2001, Şölen was awarded of its export diversity and in 2004 the company was listed for the first time in the list of 500 biggest companies.<sup>167</sup> The company, selling products to international chains such as Wal-Mart, Loblaw, ED, Leader Price, and Carrefour, became one of the biggest 200 companies in Turkey.

Şölen Group has two factories in Gaziantep. Their third chocolate factory is founded in 2009 in Silivri (Istanbul).<sup>168</sup> Solen has a wide range of products in chocolate and chocolate related products and incorporates more than 20 brands. In 2009 Solen, which is known as the most 'innovative chocolate brand' in Turkey, worked with the famous designer Karim Rashid who designs for Prada, Kenzo and Armani. Elif Coban, the daughter of Ismail Coban and the product manager of the company stated 'they wanted to give a soul to their brands' and chose work with a worldly famous designer Rashid. *Eternity*, which had the inspirations of the Seljuk Empire, was introduced to the world in New York and put out in Milano, London and Paris. In 2012, Rashid and Solen worked together on a new brand for the national market. Both events found significant attention in the national media and represented as the success of Gaziantep, which signified the commitment of Gaziantep firms to represent Turkey through their innovative investments.

The boundaries of belonging to Gaziantep are not very inclusive for the migrant entrepreneurs who migrated to the city after the 1980s. These new comers are usually organized around regional organizations such as MUSIAD or DOGUNSIFED. Fahri Kut, who now owns a factory in chemical sector, was 14 years old when his family decided to migrate to Gaziantep from Diyarbakir in 1986. He finished high school in Gaziantep and started to work with his father. Since he regretted too much of not going to university, he firmly supported the education of his younger brother and

<sup>167</sup> In 2005, ranking 309, in 2006 ranking 263, in 2008 243

<sup>168</sup> "Kuzey Amerika'ya Wal-Mart'la Gireceğiz", *Taraf*, 25/05/2008; "Paranın Bol olduğu Ortadoğu'ya Açıldık, 2001 Krizinden Büyüyerek Çıktık", *Zaman*, 09/10/2008; "Çikolata Hanedanlığı", *Akşam*, 05/10/2004.



sister, even in their Master degrees. In Diyarbakır, they used to run a family business in wholesaling with his uncles and cousins:

We used to come to Gaziantep, buy food and sell it in Diyarbakır. At that time, Gaziantep was the commercial centre of the East; everyone had to come here to buy stuff. In 1984, we decided to establish an office here. In two years time, we saw the potential in here and closed down our offices in Diyarbakır and moved here... Yes, it was difficult to do business in Diyarbakır. You wouldn't know what would happen in the future. But our choice was determined by the economic potential, which Gaziantep offered to us. *I want to emphasize this: People who migrated to Gaziantep came here because they wanted to do business here but those who were related to terrorism or some other political issues went to Adana, Mersin and to other big cities.* This is why you do not see any manifestations or acts of terrorism here. (Fahri Kut, 37).<sup>169</sup>

Fahri Kut was an admirer of Gaziantep and the entrepreneurial skills of the people of Gaziantep. When he heard that I am coming to the interview from GAGIAD, he was very interested in hearing the details of my interview with the president of GAGIAD, Yasar Erturhan. Fahri Kurt was a member of DOGUNSIFED, yet he was 'waiting for the right time' to apply for GAGIAD membership. A significant example is Cemal Kadooglu<sup>170</sup> who used to have very close ties with Celal Dogan. Kadooglu Conglomerate is one of the biggest firms in Antep. Tarkan Kadooğlu, the son of Cemal Kadooğlu, is a member of TÜSİAD and the president of DOGUNSIFED, yet he has no connections to none of the chambers and local businessmen associations. The same applies to the owners of medium-size firms who migrated from Sirnak and Cizre, which constitute the most excluded segments of migrants. The apartment block of the people from Cizre, which was built in the new posh neighborhood, Incirli, was another 'urban myth' and several times I was asked by the locals to see it 'with my own eyes.' The grayish posh building, which is believed to accommodate a wealthy

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<sup>169</sup> Interview in Gaziantep, September 2009.

<sup>170</sup> Cemal Kadooğlu started his business career in 1980 in Cizre. Cemal Kadooğlu and his brothers used to run a coalmine and trade coal in Cizre. Today, Kadooğlu Group includes five companies in different sectors including construction, petrol distribution, transportation, oil production and distribution. Founded in 1986, Kadooğlu İç ve Dış Ticaret A.Ş. has a large business on transportation with the help of offices in Cizre, Gaziantep and Iskenderun. Kadooğlu Otelcilik ve Turizm A.Ş. is founded in 1988 and provides services in fuel oil distribution, real-estate investment and construction sectors. The company invested in real estates in different cities such as Bedesten Mall (Gaziantep), Lorry Garage (Gaziantep), Doctors Housing Complex (Gaziantep), Kadoil Fuel-Oil station (Gaziantep), Kadoil Fuel-Oil station (Cizre), Kadooğlu Oil Factory (Gaziantep) and is planning to construct a private hospital in Cizre, *Alman Hastahanesi*. Kadooğlu Petrolcülük A.Ş is established in 2000 is exporting, importing and storing fuel oil. Kadooğlu Yağ Sanayi ve Ticaret A.Ş. is founded in 2007 and produces oil.

family from Cizre was made from a sparkling stone, and as ornaments it had very light green, red and yellow belts under each balcony.<sup>171</sup>

Migrant groups made use of a patchwork of resources including kinship, religion and ethnicity and regional affiliations, and their integration to urban economy has accelerated the transformation of the local elite structure in Gaziantep. The economic elites of the 1970s making use of “hard” politico-economic networks that are based on the “centre-periphery” and “commercial-industrial” tensions, were first challenged by the newly emerging bourgeois segments in their own city, then the migrant entrepreneurs who arrived to the city in the 1990s, and started to gain power in the last decade.

## ***7.2 Neoliberalism Under OHAL: Waiting for the Investments***

Waiting is always waiting for something. It is an anticipation of something to come – something that is not on hand but will, perhaps, be hand in the future. It is marked by contingency – the perhaps – and all the anxiety that comes with the experience of contingency. It is a passive activity. We can never actively seek the object of waiting. (...) Waiting produces in us feelings of powerlessness, helplessness and vulnerability – infantile feelings – and all the rage that these feelings evoke. We seek release from these feelings, from tension and suspense of waiting, from the anxiety of contingency, in many, often magical ways. We tell stories. (Crapanzano, 1984: 44-45)

Between 1950 and 1960, two important developments had major effects on Diyarbakır’s socio-economic life. These were the mechanization of agriculture and rapid urbanization, which stimulated the growth of local businesses in the city. The mechanization of agriculture resulted in a radical transformation of land ownership in the countryside. In the beginning of the 1960s, in Diyarbakır, an important number of tenant farmers were turned into agricultural laborers taking part in seasonal work. Nevertheless, seasonal variations in the job market and high unemployment rates during winters forced agricultural workers to migrate (Dorransoro, 2005), not only to the city center but also to other parts of Turkey, especially Adana, Mersin, Istanbul, Izmir, and Ankara, since Diyarbakır, with its stagnant economy, did not have the economic and industrial infrastructure to absorb them. In the early 1950s and 1960s,

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<sup>171</sup> The colors of the Kurdish flag.

Diyarbakır was giving economic migration to İstanbul, Ankara, and İzmir, and receiving migration from neighboring cities such as Şanlıurfa, Mardin, Batman, Elazığ, and Bingöl (Tümertekin, 1968). Contrary to the cases of Gaziantep, Kayseri, or Denizli, where local entrepreneurs have turned their small family investments into larger Anatolian holdings in their own towns, Diyarbakır “exported” its investors to big cities. Halis Toprak, Salih and Şehmuz Tatlıcı, and Ağa Ceylan, are only few of names from Diyarbakır who started with small businesses in their hometown and migrated to Istanbul with their earnings. The out-migration is still a source of huge disappointment for the local businessmen in Diyarbakır. The success stories of the businessmen from Diyarbakır such as Tatlıcı family, Ceylan family or Toprak family in a stark contrast to the ‘underdevelopment of Diyarbakır’ invaded my interviews. Diyarbakır was defined as an ‘abandoned city,’ which was ‘neglected not only by the state but also by its own people.’ In their narratives, investment to Diyarbakır defined the contours of the belonging to Diyarbakır as well as of the cause – to create benefits for the ‘region’. The migrated business people were held responsible for the underdevelopment of Diyarbakır, along with the state. All my interviews in 2008, and 2009 were marked with a strong feeling of anxiety, marked with the narratives on past, atrocities of the state, people who left and the war as well as the lost opportunities. Compared to their confident business peers in Gaziantep, the businessmen in Diyarbakır have a negative connotation of what constitutes a businessman and a *Diyarbakırlı*, a person who cannot be trusted. Similarly, the wealth is seen as the result of ill-gotten and unjust activities.

### 7.2.1 Diyarbakır: An Abandoned Economy

Halis Toprak was born into a large family in Lice, a district of Diyarbakır, in 1938, a decade after the massacres against the Kurds following the Sheik Said rebellion. His father, Hamit Toprak, was a *cerci*<sup>172</sup>, a travelling merchant who sold notions and fabric to the villages around Lice. A year later, father Hamit Toprak moved to the city centre with his family. The family was given an Armenian house in the Hasircılar

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<sup>172</sup> Zulkuf Aydın defines *çerçis* as such: “Çerçis are those people who travel between remote villages and the town selling small kitchen utensils, glasses, buttons and such like. If the *cerci* does not have the initial capital to set up the business, he either applies to a wholesaler in the town or a usurer (*faiz aga*). The *cerci* commutes between the town and the village for nine months of the year, on a donkey or mule, then loses a part of any profit he makes in interest payments. If he makes a loss, he still has to repay his debt with interest; usually he ends up selling his small plot of land or his house or utensils”. (Aydın, 1986 :208).

neighborhood (Hancepek in the Ottoman Diyarbekir), which used to be inhabited by the Armenians two decades ago. In a few years, in the early 1940s Toprak family moved to Adana. Hamit Toprak had become a retailer in Adana; in his store he started selling the fabric that he bought from the biggest wholesalers of Adana, one of which is Bossa of Sabanci. This was when Halis Toprak and Sakir Sabanci became close friends. In 1968, with his accumulation from the retail dealing, Hamit Toprak bought the cotton factory, Paktas. Short after their migration to Adana, Hamit Toprak, known to have very strong religious affiliations, eternally sealed his former house in Hasirli by turning it into a sacred place in the early 1950s. Today, the small mosque within Surici district stands with an uncanny presence on the narrow streets of Hasirli neighborhood, a house with a minaret and Hamit Toprak's name in the entrance. Throughout the years, Toprak family had lost connection with the city. When their mother died in 1982, her funeral was not taken to her hometown, mother Huriye Toprak was buried in the garden of the family factory, Paktas.

In the 1970s, Halis Toprak was travelling frequently to Ankara and Istanbul, in search for state subsidies to expand the investments of their family business. His deepening ties of friendship with Sakip Sabanci and his acquaintances with bureaucrats from SPO such as Turgut Ozal in the early 1970s laid the basis of Toprak's individual success during the 1980s. In 1977, he establishes his own construction company in Istanbul. When Turgut Ozal became the president of Turkey after the military coup in 1980, Toprak A.S. started to expand at a breathless pace; in less than 20 years his conglomerate ( *Holding*) expanded to 40 companies operating in industrial, financial and service sectors. It was after his bankruptcy in 2001 and the confiscation of his factories and real estates that Halis Toprak decided to go back to and settle down in his hometown Lice where he had never been to and had had no contacts other than his few investments during the late 1990s. His investments in Lice consisted of the most lucrative and the least risky businesses such as marble extraction and construction sectors.<sup>173</sup> In the late 1990s, after the contraction of investment credits from public banks, Toprak channeled his investments to Lice and southeast, which is covered under the subsidy scheme by GAP and PAD.

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<sup>173</sup> His investments in Lice included a marble factory, oil and yarn factory, and a housing complex, *Toprak Holding Konutlari*.

The way to Halis Toprak's bankruptcy in 2001 was prepared when he established his own private bank in 1991. In 2001, TMSF (Savings Deposit Insurance Fund/Tasarruf Mevduatı ve Sigorta Fonu)<sup>174</sup> confiscated Toprak Bank, and then all his possessions including factories, firms and real estates due to his massive debts. In a letter that he wrote to the prime minister in 2003, Halis Toprak who is known to be one of the nouveau-rich of Ozal's period and built his empire upon state subsidies, argued that it was the state, especially the Yılmaz government in the 1990s that led the way his bankruptcy: "the government did not provide the subsidies that were promised." In his letter, he accused, the prime minister of the time, Mesut Yılmaz who "did not force the state bureaucrats to pay the state subsidies, worth of one billion dollar in the late 1990s." For him, the bankruptcy of their family factory Paktas in 1986 was also a result of the radical shifts in the state economic policies

In 1976, Suleyman Demirel was the Prime Minister (...) We [a number of businessmen] went to Demirel' apartment. It was 1 am, still Demirel accepted to see us. At 2.30, he woke up Ergenekon [then Finance Minister] and invited him to our meeting. I shared our problem with Demirel, I said 'provide exchange rate guarantee for investments, and we will make investments.' Demirel agreed with us (...) But after two years, during Ecevit's Prime Ministry the exchange rate guarantee is canceled and we needed hand over Paktas to state. (cited in Sener, 2001)

The rise and fall of Toprak Holding exemplifies not only the emergence of a new bourgeois class developed under the protection of the new regime of liberal Turkey and its attendant legal lacunas but also the capital transfer within the bourgeois structure after the "silent revolution" of the political Islam and its convergence with capitalism in the early 2000s (see chapter 3 for a discussion). Many business people whose economic success lied at the 'unpredictable' economic policies of the Turkish state and in the highly speculative financial sector in the 1990s lost power during the process following the silent revolution. Halis Toprak's case, in this sense, encapsulates the permeability of state sovereignty, its reconstitution and reaffirmation in line with the interests of the certain segments of business circles. The Ozal period between 1983-1989 and the 1990s (see chapter 6) this permeability was maximized through the expansion of the executive branch and the limitation of the regulatory power of the parliament as a result of the rediscovery and extraordinary use of KHKs.

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<sup>174</sup> TMSF, formerly working under Central Bank is now directly working under the primary minister. As a state institution, it aims to regulate the market by preventing corruption and improprieties.

This “practicality”, as proposed by the Ozal government and used as an effective mechanism to implement the liberal policies, in turn eradicated the legal basis of economic policies and state actions. This explains why in one of his letters to the Prime Minister in 2003, Halis Toprak was asking for an amendment to the new regulations on Banking Law, which would facilitate his refunds. (Gucer, 2003)

The case of Halis Toprak also enfoldes the contested boundaries of Kurdishness and the Kurdish issue. Granted with equal citizen rights, the assimilatory and exclusionary logic of the Turkish nationalism is rendered invisible in the state discourse and the popular imaginary through the examples of the Kurdish rich, Kurdish politicians and Kurdish artists with national fame and in some cases with international reputation. For Yegen (2006: 49), what defines the status of Kurdish populations in relation to Turkishness is hesitancy and inconsistency. Kurdish populations were always seen as a component of the Turkish Republic, yet they are at the same time subjected to assimilatory policies as well as exclusionary citizenship practices. Halis Toprak is not only an example to discuss neoliberal exceptions, but also the exceptions to neoliberalism.

The displacement of the economic interests of these investors led to a deep disappointment among local businessmen. Today, many businessmen in Diyarbakır complain about insufficient investments. The businessmen who left the city are partly held responsible for the underdevelopment of the city

Every year, 10-15 businessmen from Diyarbakır migrate to the West. We cannot keep them here... I am not angry with those who left. They migrate because of their families and the education of their children. They migrate because it is very hard to do business in this city... We are 200-250 people in Diyarbakır who strive to make a difference... We are fostering and embracing Diyarbakır as our own child. We love Diyarbakır and we need people who love Diyarbakır, regardless of their origin. This is what we need. We are alone: neither our state nor our businessmen in the West make investments in this city...”<sup>175</sup>

The feeling of disappointment was mingled with the responsibility of the Turkish state, which led to the flight of capital from the region. For some, the people who left the city were always attached to the city. A prominent figure of the city gives the example of Salih Tatlici

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<sup>175</sup> Interview in Diyarbakır, June 2007.

This city is full of pain. But it is at the same time the most beautiful city in the world. Turkish state did horrible things in Diyarbakir. He did not allow people to hold onto this city (*bu sehre tutunmalarina izin vermedi*). During his health, Salih Tatlici [one of the wealthiest businessmen in the world according to Forbes Magazine in 2006, he left Diyarbakir in the 1960s] visited Diyarbakir from time to time. He used to walk around Surici, and cry. A friend of mine saw him several times in Surici, walking and talking to the *esnaf*.<sup>176</sup>

In the early 2000s, DISIAD attempted to organize a campaign for the business people who left Diyarbakir and became significant names in Turkish economy. They prepared a list of 50 businessmen who were born in Diyarbakir but later migrated to bigger cities in the west, and a report regarding the ‘advantages of making investments in the city.’ The report was sent to the businessmen on the list. The result was quite disappointing. Many businessmen even did not reply to DISIAD confirming that they got the report.

### 7.2.2 Legitimization of Wealth

The rule of capitalism is that you sell your soul in order to earn money. But here, *in this region you have to sell your name, your honor if you want to make money*. You cannot ask for both money and honor. If it gives you honor, then it takes your money away.<sup>177</sup>

For the people of Diyarbakir, Toprak family was “lucky” since it is believed that they found buried gold in their old house in Hasirli. Buried gold, (*gömu* in Turkish), is a common urban myth in the city, which leaks out the atrocities of the past. It is used as a pejorative to signify unjust wealth, but a pejorative, which also connotes “luck.” The owner of one of the first plazas in Diyarbakir, AZC Plaza in Ofis, is also rumored to accumulate wealth through a *gomu*. *Gomu* transforms an ordinary man into a businessman “who knows nothing about the commerce.” (*ticaretten anlamayan*) “This is the curse of this land,” said a local merchant after he told me the story of Can family (the owner of AZC Plaza in Diyarbakir), “people who work hard disappear, and people who do not deserve, they become businessman” (*emegiyle birseyler yapmaya calisanlar yok olur gider, hak etmeyenler isadami olur, saygi gorur*). He continued

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<sup>176</sup> Interview in Diyarbakir, July 2007.

<sup>177</sup> Interview in Diyarbakir, June 2009.

You came here to make research about businessmen and business life. You say bourgeoisie or things like this. You are in the wrong place. Here there is no bourgeoisie and no businessman (...) Here, we have people who become rich in just one day (...) He is either in drug dealing or earned through illegal means. Here you cannot find some who is rich who earned through hard labor. Those who are legal now, did illegal things in the past (*simdi yapmayani da gecmiste yapmistir*) (...) They found a jar full of gold [He talks about Can Family]. You can ask everyone. You can say, Mr. Bahri, you cannot build a plaza with a jar of gold. I can. It can be my initial capital. I take it, and make it bigger. And, I become a rich at world scale, not at Diyarbakir scale like them.<sup>178</sup>

Businessmen are seen by the local people either as the very source of corruption in the city – thus, they represent ill gotten gains, criminal and illegitimate economic activity, the transgression of cultural codes and local culture and alienation from the people of the city – or as the allies of the state, people who think nothing but their own vested interests. These various representations as already noted in chapter 4, interrogate not only the problematic relation between different classes in the city, but also how economic regulatory authority and the concepts of economic regulations are problematized by the local populations. Ultimately, it also gives insight on how “the foundations of wealth and the targets of regulation are inscribed in an ambivalent space” (Roitman, 2005: 13).

### 7.2.3 ‘Success is an Exceptional Occupation’

By the end of the 1970s, cities in southeast Anatolia were home to dozens of different Kurdish groups that espoused a variety of cultural and political goals and variously maintained links with both the Turkish left and Kurdish groups in Iraq and Iran (Watts, 2010: 49). Diyarbakir was one of most lively political centers in the regions.

As one of the businessman recalls

Diyarbakir is a symbol; it is the political, cultural and commercial center for the Kurds. What is Cairo for the Egyptians, Diyarbakir is for the Kurds (...) Diyarbakir always gave shape to the course of history. In 1975 Alparslan Turkes [the president of the nationalist party, MHP] came to Diyarbakir, and the people of Diyarbakir did not let him enter the city. This was a turning point for the Kurdish nationalist movement and the fascist movements in Turkey.<sup>179</sup>

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<sup>178</sup> Interview in Diyarbakir, November 2007.

<sup>179</sup> Interview in Diyarbakir, June 2010.



Many businessmen were actively involved in the political *struggle*. If we go back to Izzet Kara's story in the beginning of Part 2, he was actively involved in youth branch of leftist organizations during the 1970s. Bahri Ileri is 57 years old, born in a village in Lice. I met him at a café, which he found very posh, owned by 30-years-old Haluk who was quite active in Kurdish movement in the 1990s. In the beginning of 2000s, Haluk quit political movement, he worked in several projects in NGOs, and then in 2005, he opened his café, *Roxanne*, named after the song of the famous English singer, Sting. Bahri Ileri came to our interview with Mahmut Simsek. He was in a grey suit, without a tie. He did not shake my hand saying that he is *abdestli*, but still he was comfortable in *Desert Rose* where they served wine as well. Bİ defined himself, before I asked, as a Muslim and then a Kurd. His family migrated to the urban center from a village of Diyarbakir when he was nine, his father had a grocery store. Bahri Ileri did various jobs ranging from construction to fruit wholesaling. Then, he opened a photography house, worked as a journalist, then in fruit and vegetable market. During the late 1970, Bİ was politically engaged in leftist movements. In this political struggle, he decided that capital is the most important thing in one's life and he transferred his political *struggle* into business:

Of course those times were marked by the conflicts between leftists and rightists. In the depth of these fights, I saw many things. And in those years I already made my decision, I understood that the most important thing in the world is capital. At the end of the day, everything is about capital. If you have it, then you are smart, intelligent and dignified. You are honorable. If you do not have it, then you are nothing. This [the capital] became my *struggle* in life.<sup>180</sup>

Similarly, Raif Turk, the president of DISIAD and one of the most important figures of the business life in the city, used to be a journalist until the early 1990s. He lived in Ankara, yet frequently visited the city.

### ***7.3 Iraqi Kurdistan or “Northern Iraq”: War in Outer Spaces, Opportunity, and Ethnicity***

Iraqi market, which pulls an important share of exports of Southeast Anatolia, went through a rapid privatization and opening of markets to foreign investments after the

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<sup>180</sup> Interview in Diyarbakir in June 2010.

occupation by US government in 2001.<sup>181</sup> Iraqi Kurdistan emerged as a safe haven compared to Baghdad and other parts of Iraq when Kurdistan Regional Government (KRG) opened Iraqi Kurdistan to outside investors. With the help of cheap labour force provided from impoverished countries such as Ethiopia, Indonesia, the Philippines, Bangladesh and Somalia (kamber, 2007) and the trade oriented and investor-friendly regulations including “a 10-year tax exemption and free land to business owners, with the right to transfer profits outside the region” resulted in a flow of investors from Europe, USA and Gulf States. Yet, Turkey, KRG’s gateway to Europe, is the largest trading country in Iraqi Kurdistan. At present 55 percent of the foreign companies investing there -- 640 of 1,170 -- are Turkish companies and they are engaged in construction work, oil exploration and trade (Aqrawi, 2010). The new International Airport of the Iraqi Kurdistan was designed by the UK-based Scott Wilson Group and constructed by a Turkish company, Mak-Yol Cebgiz Joint Venture. (Ahmed, 2012: 71-2) As a recent article puts

About 15,000 Turks work in Erbil and other parts of the north, and Turkish companies, more than 700 of them, make up two-thirds of all foreign companies in the region. Travel requirements have been lifted, and the consulate in Erbil issues as many as 300 visas a day. A Turkish religious movement operates 19 schools in the region, educating 5,500 students, Arabs, Turkmens and Kurds mingling in a lingua franca of English. (Shadid, 2011)

During my fieldwork in Diyarbakir, many businessmen mentioned the necessity of building economic cooperations and relations with the Kurdish government in Iraq.

Turkey is a strong country. Northern Iraq [Iraqi Kurdistan] is exaggerated in an artificial way. What happens in Northern Iraq will not affect Turkey. In Turkey, there is nothing but a taboo. Even, what is happening in Northern Iraq is good for Turkey. Many businessmen in this city make investments there. We have an important export volume to Iraq. This is a new ‘opportunity’ (kapi), a new ‘income opportunity’ (gelir kapi) for Turkey. Many Kurdish families in Turkey have very strong ties with Northern Iraq. There is no necessity for fears and worries. I believe that what is happening in Iraq will be beneficial for Turkey in the long run.<sup>182</sup>

As I have already discussed Diyarbakir’s economy chiefly depends on the domestic market and transactions with neighbouring cities (Mardin, Şırnak and Batman), yet

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<sup>181</sup> In 2003, Paul Bremer, head of coalition of Provisional Authority, promulgated orders which contained ‘the full privatization of public enterprises, full ownership rights by foreign firms of Iraqi businesses, full repatriation of foreign profits... the opening of Iraqi banks to foreign control, ... and the elimination of nearly all trade barriers’ see Harvey 2006; Crampton 2003.

<sup>182</sup> Interview in September 2007.

the Middle East market is central to the urban economy in terms of exports and economic transactions, and holds a share of 78% of Diyarbakır's exports. The Iraqi market alone receives 56% of the exported items manufactured in Diyarbakır. Many entrepreneurs in Diyarbakır also have investments in Iraq. Their investments range from running restaurants to construction businesses, joint companies in the food industry, and transportation firms (DTSO, 2007). For many businessmen in Diyarbakır, Iraqi market can be used as an effective mechanism to stimulate the stagnant local economy

In food industry, we cannot compete with the big actors in Turkey. But if we can use the Northern Iraq area and do things there, then food sector can gain a momentum in Diyarbakır.<sup>183</sup>

As another businessman, Izeet Kara, puts

Due to the new formation in Northern Iraq and the satellite TVs, the region is awakening and people living here embrace the Kurdish culture. I remember the weddings, we used to dance *halay* but also *ciftetelli*. But now, the Kurdish culture came to the fore, for instance young girls wear traditional Kurdish clothes in the weddings... In the last ten years why do people in Southeast region make more business with Iraqis? Because we have a common sharing of language and tradition. We have the same language, culture and mentality. This is why our firms make business with Iraq. When we go there, we never experience troubles.<sup>184</sup>

Iraqi Commerce Minister Abdulfelah Hasan El Sudani states that the trade volume between Turkey and Iraq has passed 8 billion dollars and no other country in the region has even reached the half of the volume mentioned. (Dunya, 2008) Yet the lion's share goes to the already developed regions. Gaziantep has always been an important player in the Middle East, especially having close economic ties with Iran, Iraq and Syria stemming from its position on historical economic networks. Nevertheless, following the introduction of neoliberal policies, the nature of economic relations intensified and changed in character.

We can understand the importance of Iraqi market for Gaziantep if we closely examine our exports. In 150 countries Iraq alone holds a percentage of 25%. Between January and April (2008), export to Iraq increased by 59.16%. This alone can explain Iraq's importance for the region's economy. If political and economic stability is sustained in Iraq where we have social, cultural and kinship relations, economic

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<sup>183</sup> Interview in Diyarbakır, June 2007.

<sup>184</sup> Interview in Diyarbakır, September 2007.

transactions between two countries will make a significant contribution to peace in Middle East. (Dunya, 2008)

Gaziantep has recorded an increase of 186% of exports in the first half of 2004 compared to the first half of 2003. For GSO, Iraqi market was the most important factor in providing this dramatic increase. Iraqi market, which pulls an important share of exports of Southeast Anatolia, went through a rapid privatization and opening of markets to foreign investments after the occupation by US government in 2001.<sup>23</sup> Iraqi Commerce Minister Abdulfelah Hasan El Sudani states that the trade volume between Turkey and Iraq has passed 8 billion dollars and no other country in the region has even reached the half of the volume mentioned.<sup>24</sup> For some local businessmen, Iraqi market is the playground of migrant firms and big local firms. Halil Tahtacı, who owns a factory producing wheat flour, says that migrants know the rules of the game in Iraq since they have friends and contacts in the newly emerging market. These ties and contacts, he argues, give the migrant entrepreneurs an advantage over the small local firms.

Iraqi market became a life jacket for the southeast economy following the U.S. interventions in the early 1990s and 2000s. By mobilizing “kinship” and “regional” ties, migrant entrepreneurs from Siirt, Cizre and Diyarbakır made ample use of the economic vacuum created in Iraq. Almost all of the interviewees have had connections with the Iraqi market. Migrant entrepreneurs were very distant to the questions regarding “ethnicity” or “ethnic ties”. They emphasized regional networks or kinship ties instead. The distance of the migrant entrepreneurs to the word “ethnicity” and their consistent references to the economic drives, which determined their migration processes imply different ways of interaction between ethnicity and neoliberal policies in the cultural and economic realms.

The story of Beşler Group and its outstanding national and international success should be explained by its ability to enroll both regional and cross border networks stemming from its economic past in the region. Çakmak Family who was already one of the important wholesalers in the East and the South East before moving to Antep, first made use of its distribution network in the region, and then in Iraq and Middle East to sell the wheat flour it produced. A migrant entrepreneur from Diyarbakır explains how his factory produces only for Iraqi market.

I started with chocolate production in the mid-1990s but in three years I surrendered. Things did not go well. There were too many chocolate factories and I did not have the know-how to compete with them. In 1995, I started soap and shampoo production. People in Gaziantep thought I was crazy since soap production is a traditional sector in Kilis. They thought that it was impossible to compete with them and I would go bankrupt in few years. But I didn't. Now, things slowed down because of the crisis. But last year, we were producing in full capacity 24 hours/seven days. We do not produce for internal market; our products are not good in quality. For a long time, we produced only for Iraq, and in the last 3-4 years we started to export to Turkic Republics.<sup>185</sup>

## 7.4 Recapitulation

This chapter aimed to situate the cities of Diyarbakir and Gaziantep into the recent history of liberal economy in Turkey. Gaziantep's economy is basically defined on the accumulation of local oral know-how and its transfer throughout the generations (Eraydin, 2002). As many studies emphasized Gaziantep is characterized by 'the culture of cooperation and collective action,' which is seen as exterior to capitalist mode of production. As I have tried to delineate in this chapter Gaziantep's local economy which consists of family enterprises mostly founded in the late 1960s and 1970s is defined and characterized by SANKO, the biggest name in the local economy as well as one of most prominent firms in the Turkish national market. SANKO represents itself as the only representative of the capitalists in Gaziantep as well as one of the best examples of the revival of Anatolian capital. Its sheer dominance in the local economy is usually referred as the SANKO Republic. SANKO is one of the main actors of the collective mind of Gaziantep. It is an effective actor in both GSO and GAGIAD. While the city is fronted by the local businessmen owning big companies, their collaborators in the city's success are the migrant businessmen who migrated to the city starting from the 1970s. The inflow of capitalists into the city reached its peak during the late 1980s and the early 1990s when the conflicts between PKK and the Turkish army intensified. Given the increasing importance of the Iraqi market in the last decade, migrant businessmen along with the *Gaziantepi* businessmen became important figures in the Iraqi market.

While the civil war led to the inflow of capitalists into the city of Gaziantep, it rather created an out-migration in the case of Gaziantep. The tide of economic migration

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<sup>185</sup> Interview in Gaziantep, September 2009.

starting from the 1970s accelerated with the 1980s and 1990s. Today the businessmen of Gaziantep share a feeling of negligence by not only the state but also the businessmen who migrated. In this sense, asymmetrical migration waves, the inflow of rural migrants due to forced migration by the Turkish state and the army as well as the out-migration of the capitalist class during the 1990s gave shape to many cities in the southeast including Diyarbakir. The fact that most of the firms in Diyarbakir are established after 1980, in this sense, is not surprising. The economic vacuum created by the outmigration is quickly filled by the newcomers to the city and the local merchants. Many businessmen are children of rural farmers who migrated to the city center in the 1970s. There is almost no firm in the local economy established before the military coup in 1980. In this sense, it is not to exaggerate when we argue that the military coup and the civil created an investor and entrepreneurial class in Diyarbakir. This partly explains the reserved attitude of the local people towards the idea of the businessmen and the bourgeois. As already noted, businessmen are seen by the local people either as the very source of corruption in the city – thus, they represent ill gotten gains, criminal and illegitimate economic activity, the transgression of cultural codes and local culture and alienation from the people of the city – or as the allies of the state, people who think nothing but their own vested interests. This stems from the polarization created by the Turkish state during the Emergency Rule.

Last part of the chapter dealt with the emerging importance of the Iraqi market for the regional economy. The economic restructuring following the military intervention of USA to Iraq, did not bring peace to the country in general but opened its market to foreign investors at a bred neck speed. Iraqi market has been a life jacket for many firms who strive to increase their competitiveness in the local market. Both cities attempted to make ample use of this new era of capitalist restructuring in the Iraqi Kurdistan.

## PART III MATERIALITIES

### CULTURE, CONSUMPTION AND SPACE IN SOUTHEAST ANATOLIA

Commodities, as Walter Benjamin pointed out, embody dreams (...) So, city dwellers are dream walkers, too. (Zukin, 2010: 189)

Cities are like humans. They should have a character; they should have their dreams to fulfill and their aims to follow.<sup>186</sup>

Time of the city is not always *retrospective*. The city is the source and the driving force of dreams, knowledge and demands, which carry us ahead. The cities grow with us; they are the sources of dreams about how to shape the future, ameliorate life, and provide welfare. (Baydemir, 2004: 10)<sup>187</sup>

The rescaling processes of statehood brought a double spatial movement in Turkey. On the one hand, we observed a downscaling of state and the empowerment of local state institutions along with the intensifying and multiplying nodes of industry and exportation all around the national geography. On the other hand, a fragmented national geography characterized with an intensifying inter-local competition and the growing spatial inequalities emerged in which each locality competed in attracting state resources and foreign investments. Their success or failure were deeply embedded in the historical evolution of the capitalist development in Turkey (Chapter 2). At the background of the territorialization of a neoliberal regime, two political movements that were excluded from the power until the 1980s, rose to the political scene, challenging not only the traditional elites of the Republic but also molding their strategies in response and through the rescaling processes of statehood. Kurdish movement and political Islam responded to new regulations on urban space, using local state institutions as effective mechanisms to build various forms of localisms.

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<sup>186</sup> Interview with the president of GSO, Nejat Kocer. in May 2008.

<sup>187</sup> Osman Baydemir, the mayor of Diyarbakir writes in the foreword of a book prepared in cooperation with CEKUL to promote the historical sites in the city.

They made ample use of transnational networks, and integrated into the logic of neoliberal market through different forms (Chapter 3). Following this discussion, I argued that the localization of neoliberal policies is strictly related to the ‘local rule regimes’ or ‘corporate regimes’ (Bayirbag, 2010), which are built upon the local dynamics and the balance between different local elite groups and are situated within wider political fields and the broader political context.

In the case of Gaziantep, I discussed how the strong coalition between the local state institutions and the local business circles articulated swiftly to the neoliberal agenda of the ruling pro-Islam party, JDP. The business circles led the way, defining the trajectory of the city in line with the *telos* of industrialization and export-led growth and producing a strong local identity based on nationalist feelings, economic success and innovation. The case of Diyarbakir constituted an example to a rather fragmented coalition between the local state institutions and the business circles. Since the 2000s, municipality and the political and intellectual actors carried the Kurdish resistance into the urban scene, blending it with a ‘cultural revival’ and a counter hegemonic place-making process. The Kurdish resistance was *urbanized* not just because of the forced flow of thousands of rural villagers to the cities but also due to the changing tools and the loci of the resistance. These different trajectories, I argued, illustrate that it is not only the history of cities - i.e. historical embeddedness and the regional inequalities – that give shape to the forms of localization of the neoliberal policy packages, but also the future projections defined on the basis of local political dynamics and the intra-city relations between different social classes – local state actors, political and cultural elites and the business circles.

In this part, I will discuss the ways in which the future of localities is shaped through interventions to the materiality of the cities. ‘In an era in which power is measured in materialities’ (Comaroff and Comaroff, 2009: 58), interventions into local material culture of the cities are significant strategies by the local actors for repositioning their localities in the geo-economic hierarchies of neoliberal order. A burgeoning literature on urban tourism, heritage studies, urban renewal and regeneration literature has already examined various case studies from different parts of the world and displayed how localities employ urban tourism and ‘urban make up strategies’ as a cargo for economic development. The particularity of the analysis proposed here stems from



the fact that these strategies are developed in an ‘exceptional geography,’ which is shaped through various dislocations in its demographic, social and economic structure throughout the history (chapter 5) and an unrecognized civil war since 1984 accompanied with an emergency rule (chapter 6), which blurred the contours of the definition of the concept of right. In this sense, Part 3 extends the discussion over the disconnectedness of the neoliberal restructuring in southeast Anatolia (Chapter 7) and indicates to continuities of the neoliberal restructuring processes in the region. Through the cases of Gaziantep and Diyarbakir, this part will seek to delineate the local dynamics of the interventions to material culture and indicate how they are shaped in dialogue with multiscalar actors such as MHA, CEKUL, UNESCO or EU. I will discuss how differences, belongings, ideals, dreams and interests are externalized in the materiality of these two cities: an industrial city developed at the edge of the civil war and seen as the castle of the JDP and a post-industrial city with a stagnant economy hit by the civil war and seen as the castle of Kurdish movement.

First chapter will introduce the case of Gaziantep. And, second chapter will discuss the case of Diyarbakir.

## 8. Claiming Authenticity: Brands, Patents and the History

Claiming authenticity becomes prevalent at a time when identities are unstable and people are judged by their performance rather than by their history or innate character. Under these conditions, authenticity *differentiates* a person, a product, or a group from its *competitors*; it confers an aura of moral superiority, a strategic advantage that each can use to its own benefit. In reality, few groups can be authentic in the contradictory ways that we use the term: on the one hand, being primal, historically first or true to a traditional vision, and on the other hand, being unique, historically new, innovative and creative. In modern times, though, it may not be necessary for a group to *be* authentic; it may be enough to claim to *see* authenticity in order to control its advantages. (Zukin, 2010: XII)

The modern urbanscape of Gaziantep is a source of surprise for not only the people coming from Western parts of the country, but also for the locals of Diyarbakir. Many businessmen who learned that I am moving back and forth between two cities for my research defined Gaziantep as the most ‘modernized’ city in the southeast region with its grand boulevards, parks, modern apartment blocs and ‘regular urbanization.’ The city center went under a dramatic transformation during the mayoralty of Asim Guzelbey of JDP. During my first visit to the city in 2008, the city was celebrating the opening of a huge cinema complex, Sinepark Nakip Ali, which was built with the ‘latest technology’ in sound and projection technology. Nakip Ali who opened the first cinema theater in the Southeast in 1924 was also an important figure in the Antep resistance. Nakip Ali was a polysemic symbol speaking to multiple and interrelated narratives about the city: an old Gaziantep, which was famous for its colorful nightlife and entertainment; the entrepreneurial and innovative spirit of the local people, and the patriotism and the heroism of Gaziantep people. Throughout the years, Gaziantep witnessed the opening of the ‘biggest’ zoo in Turkey, the ‘biggest’ mosaic museum of the world, and the ‘first’ Planetarium in Turkey. A huge mall, SANKO center was opened on one of the busiest streets of the city. The 5,5 km long ‘culture road project,’ which started in 2004 and envisaged the restoration of old houses was finished and made ready for the tourists in 2010. In the last couple of years, Sahinbey mayor, the most crowded district of the town started a huge cleansing project against

the irregular buildings, which included the destruction of more than 3000 houses. The Minister of Urbanism of JDP, Erdogan Bayraktar who fervently defended the demolitions and the urban renewal projects all around Turkey, awarded the mayor of Sahinbey for his efforts and success in building a local initiative for the demolitions.

### ***8.1 Branding The City: Make it Different or Perish***

I am holding a booklet in my hands while waiting for my interview with Nejat Kocer, the president of GSO. The booklet is about the Trademark City Gaziantep Project, which was published by GSO in 2004. On the first page, I read the message of the president: ‘we are now living in a time where cities compete; every city puts forward their own *values*. The Trademark City Gaziantep Project is (...) an important step towards the future.’ First section of the booklet is devoted to the general ‘state analysis,’ which defines globalization as a restructuring force making the world smaller and increasing the competition. The state analysis is summarized with this sentence on page 11: ‘the level of competition in our age makes one thing compulsory: be *different*... No matter what is produced, no matter which service is provided...’ On page 12, the same message is repeated: ‘[The Motto of] "Make it different or perish" is the key to stand on your feet and to be *selected* in this competitive environment.’

The second part is devoted to an analysis of Gaziantep. It starts with a very short paragraph about the history of the city mentioning its strategic location on the Silk Road, which led the city to be an important ‘residential and frequently visited area for *human communities*.’ No specific information about these communities and no details about the history of urban economy or the production sectors are given. Next page is devoted to the Gaziantep Defense. I continue reading ‘in the history of Gaziantep, the Independence War and the [local] struggle in this war, Antep Defense, has a significant place. The people of Antep defended the territory they lived on by losing 6317 people as martyrs. The resistance both granted the city the title of "Gazi" (veteran) and became the symbol of the “contentious characteristic” of the people of the city. Likewise, this contentious characteristic has been *transferred from one generation to another*, and has played a dominant role regarding all fields of life particularly in the field of economy. Today, Gaziantep has *canalized this strength*, which it brought from the period of national struggle into the processes of *production*

and investment. It ensured the emergence of the contentious “*entrepreneurship spirit*” and an “*example industry model*” in Turkey.’ On the next page, economic structure of the city is examined and the beginning sentence mentions the Gaziantep model, a blend of industrialization and the city’s production culture: ‘Gaziantep has created a distinctive *industrialization model* with the help of its *production culture* extending from the past to the modern days...’ Having briefly sketched the economic structure of the city, the part on local economy concludes that the only possible way for Gaziantep to survive in the face of the ‘threats’ of the emerging markets of ‘intermediate goods’ in China and Southeast Asia is to produce qualified and trademarked products. This is the aim of the project: to enhance a collective action for modernized production forms and strengthen the local economy through the ‘power of branding.’

Next part explains the project in a detailed way. The project targets two separate sets of geographies: inside Gaziantep and outside Gaziantep including other cities in Turkey and the rest of the world. The local aim is defined as mobilizing the potential of Gaziantep for becoming a city of brands. The concrete aim is to create 50 brands in 5 years, 100 new brands in 10 years. This potential, it is argued, is based on the local ‘historical, cultural, economic and commercial infrastructure.’ The aim regarding the target groups outside Gaziantep includes “inviting national and international investors to ‘make investments in Gaziantep’ with the help of emotional and material promises.’ The material promise of the project to the foreign investors is providing ‘a business-friendly and profitable environment for investments.’ The emotional promises are the contentious spirit of the local entrepreneurs and honesty as the ultimate human value, which is defined as the ethical principle, which guides the local economy. The booklet details the activities for reaching the main goal of ‘becoming a brand city and attracting investments’ such as lobbying (putting pressure on central governments, meetings with international actors such as Italian industry chambers), awareness-raising activities, consultancy and promotion activities. While turning the pages, I notice a sentence on page 29, in big fonts it writes: “our most valuable assets are our entrepreneurs.”<sup>188</sup>

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<sup>188</sup> TradeMark City Gaziantep Project, 2004.

I have already discussed how this discourse on patenting, branding, and innovation echo in the narratives of the businessmen (Chapter 7). Making references to vernacular components of the city such as genetic inheritances and the local culture, or the structural factors such as the lack of state investments, the spirit of Antep is defined on not only the mastery in commerce but also the disposition towards innovation. The sudden increase in patenting and branding in the city verifies this observation. The number of brand and patent applications increased dramatically, the number of applications in 2012 almost quadrupled the numbers in 2003 (GSO). From huge companies trying to create internationally known brands such as *Solen Cokolata* (part 7) to small ones attempting to become regionally known brands, branding has become a major preoccupation in the local market.

Trademark City Gaziantep is a two-faceted project. From one aspect, it aims at the creation of an awareness regarding the necessity of adopting ‘modern’ and ‘rational’ techniques and ‘global standards’ regarding the process of production since the whole project is a call for the local producers to cease traditional methods of producing and marketing. From another aspect, the project targets to create an awareness of Gaziantep in the eyes of national and international public as well as the local urban population. The inevitability of branding as a global condition coalesces into the project of branding the city itself

We believe that cities will be richer with the help of brands. This is why *we* [the city of Gaziantep] are trying to become a *brand* (...) Trademark City Gaziantep Project is the project with which Gaziantep will fulfill its dreams. This is a vision project and with a collective mind it will give Gaziantep the prominence that it deserves. This project aims the ‘expansion’ of Gaziantep, a city that cannot stay in its limits anymore.<sup>189</sup>

The project is itself a place branding, which regards the proliferation of brands as a cargo for foreign investments. In this sense, Trademark Gaziantep is a project of prestige, which attempts to manipulate a city-image in the eyes of the foreign entrepreneurs as a ‘successfully integrated local economy to the demands of the global neoliberalism’. Trademark City Gaziantep brings together, in manifest synthesis, many of the themes discussed in the previous chapters. For one thing, it reproduces the locally bounded perception of geography based on a dichotomy between *inside-the-city* and *outside-the-city* which is partly dealt in previous chapters

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<sup>189</sup> Nejat Kocer, from *Değişim*, Yıl: 4, Sayı: 23, p. 4..

(chapter 4 and 7). The intensifying inter-local competition based on attracting state resources and investments reproduce the fixed boundaries of the urban economy and reinforce the locally bounded or in Harvey's words, place-bounded belongings. Gaziantep is 'expanding' but with a very strong local cooperative spirit. For another thing, it brings the perpetuation of the 'collective mind' (Chapter 4) as well as its reinforcement in the local economy. GSO also initiated the preparation of a logo of Gaziantep, which is certified by the Turkish Patenting Institution. Kocer proudly asserted that Gaziantep is the first city with a 'certified' logo: an Antep pistachio attached to the name of the city (see Appendix 1.11). The logo of the city was expected to create a common feeling of belonging among the local population, and to increase the credibility of the project in the eyes of the local populations. The dream of becoming a *brand city of brands* surely envisages a future built upon the perpetuation of the central role of industrial bourgeoisie in the local economy.

Place branding is neither a novel phenomenon nor unique to Gaziantep's case. In the era of global neoliberalism, not only commodities but also cities and nations are trademarked. Through nation-branding nationality has become an object of 'ownership' (Comaroff and Comaroff, 2009: 123) whereas city branding urges local actors to combine various economic, societal and cultural 'assets' to emphasize and polish up the relevant differences of their brand, "the city". Simon Anholt, 'an international place branding authority,' emphasizes the emotional component in the process of place branding: 'the positioning needs to be more than a functional promise that is easy for other places to *emulate*; it must be place-driven. The core promise should be more heartfelt to strike an emotional connection with the audience.' And he quotes Paul O'Connor, the Executive Director of World Business Chicago, the mastermind of the branding of Chicago on the basis of business interests: "It is important to find the *magic* to stir men's souls." (2006: 22)

What would be the magic to stir the souls of the people of Gaziantep and the rest of the world? What would be the local assets to create a perfect fusion of the affective with the rational, the emotional with the concrete? For Kocer, what differentiates Gaziantep from its competitors is the 'Antep Resistance, which gave shape to the

city's contentious identity and its entrepreneurial spirit'. Then comes the 'industrial model of Gaziantep,' 'its local cuisine,' and 'its cultural richness.'<sup>190</sup>

Gaziantep-as-brand is also a claim to and a guarantee of its cultural property. In 2007, GSO managed to patent the local sweet pastry, Baklava through recourse to Article 21 of the TRIPS (Trade Related Aspects of Intellectual Property Rights), which envisages the right to 'appellations of origins' as part of geographical indicators.<sup>191</sup> Law-decree number 555 gazetted in 1995 allow the local institutions to identify a good as originating in the territory of a member (...) or locality in that territory 'where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.' Antep Baklava and its '350 years of tradition' is turned into a collective property through the detailed identification of its 'distinctive characteristics' and production methods, and its production is now under the supervision and inspection of the GSO, which recognized as the legal authority by Turkish Patenting Institute.<sup>192</sup> GSO prepared a booklet of Antep Baklava as well, patented and then turned into the most important and famous 'brand' of their city. In the booklet, it writes, 'we applied to patenting in order to protect our ancestors, their values and hard labor.' As the most significant acquisition of the Trademark City project, GSO effectively used media to attract national attention. As a 'brand' of Gaziantep, Antep Baklava found widespread interest in the mainstream media, and presented as the proof of the fact that baklava is of actually Turkish origin. Entrepreneurs of Gaziantep are celebrated for giving an end to the discussions regarding the contested boundaries of Greek and Turkish cuisines.

Compared to GSO's reductionist view that focuses solely on the industrial production, GTO has a wider approach regarding the local culture of Gaziantep and possible routes to local development since the chamber is the biggest and oldest business association in the city. In this sense, the chamber has produced a plethora of printed and audiovisual material regarding the local culture such as local traditional music, known as *Baraks*, the antique Roman city Zeugma or traditional crafts of the local economy. Tourism is seen as a 'necessary component of economic development,' 'a

<sup>190</sup> Interview, in Gaziantep, May 2008.

<sup>191</sup> Turkish government ratified TRIPS in 1995, and enacted the legal bindings of the convention immediately through law-decrees (KHKs). One among this is the KHK number 555 gazetted on 27.06.1995 on industrial property rights and geographical indications. See, <http://www.tpe.gov.tr/>

<sup>192</sup> Antep Baklavasi, 2007: 24.

supplier and supportive factor to industrial and commercial potential.’ The cooperation between the chambers of Aleppo and Antep (Chapter 4) included not only the aim of intensifying economic relations between two cities, but also building cultural interactions. Similarly, the *Project of Developing Cultural Infrastructure and Increasing Interregional Tourism in Gaziantep, Kilis and Aleppo* aims to take the Free Trade Agreement between Turkey and Syria in 2004 one step further by increasing the cultural dialogue between two cities. The project seeks to publicize Gaziantep and Kilis in Syria, yet it also aims to speak to a wider international public. The Ancient City in Aleppo, a UNESCO World Heritage site since 1986, is a popular destination in cultural tourism routes, and Gaziantep definitely wants to have its share from the touristic potential of Aleppo, a neighboring city with a shared history.<sup>193</sup> The project is supported by the Ministries of Tourism in Syria and Turkey, and the local partner is NAKSAN, an emerging industrial firm in the local economy known to have close contacts with Islamic communities and MUSIAD-Gaziantep (Chapter 3).

Despite the growing importance of culture and cultural tourism in the city (see the rest of this chapter), Antep Resistance continues to occupy a central place in the discourses of local actors. Since 2005 each year on December 25 GTO organizes memorials for the celebration of the liberation of Gaziantep from the intruders. In 2008, the whole city was covered with the billboards and posters of the resistance and the Turkish flags with the logo of GTO on them. Since 2005, the events are organized with the slogan of ‘We did not forget, we will not let people forget,’ and bring together the families of the martyrs, local state officials with the participation of state officials from Ankara. In 2011, Fatma Sahin, the Minister of Family and Social Policies participated in the memorial along with the MPs of Gaziantep. The ceremony was held in Sehit Kamil Cultural Center, and started with the screening of a documentary sponsored by the GTO about the Antep resistance. After the screening,

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<sup>193</sup> Following its incorporation to the empire in 1516, Aintab became a governorate-general of Aleppo in 1568, and then had been yoked to governorate-general of Dulkadir whose capital was the city of Maraş. In 1818, Aintab was again annexed to Aleppo, the third largest city of the Ottoman Empire after Istanbul and Cairo (Peirce, 2005, Canbakal, 2006). Until the dissolution of the empire, the city was an ordinary town in the vast geography of the empire: with a relatively small contribution to imperial revenues, the city had none of the resources of symbolic value as well (such as religious endowments) (see Canbakal, 2006). It was a ‘locally distinguished urban centre’ yet neglected and forgotten in the orbit of Aleppo.

With this cultural cooperation, Gaziantep now wants to become a stopover on the way to Aleppo. As its is clearly defined in the webpage, one of the anticipated results is ‘an increase in the average length of stay of domestic and foreign visitors to Gaziantep and Kilis.’ See <http://www.gaziantepkilishalep.com/>



the Minister Sahin who is also a *Gaziantep*li made the opening speech. She stated that the people of Gaziantep *made peace* with their past

the most important heritage left to us by Mustafa Kemal Atatürk is the science and the reason. You should employ *science* and *reason*. (...) That day [during the resistance], there was perseverance, patience and ardor. But there was something else. There was another thing, which allowed us to build the 5<sup>th</sup> industrial zone (...) When you look carefully at this war, you will see that in it there were *reason*, *technology* (...) There was the contentious spirit of women and men (...) a massive infrastructure of innovation that now allows to use reason, overcome the difficulties and meet the success. Today what *differentiates* us is our *genetic heritage* inheriting from that day (...) there is something special *which makes us who we are*. That is why we have to understand these and tell everyone (...) *We made peace with our history*. We know that today struggle continues not with rifles and canons but with economic struggle (...) In this struggle, we will succeed in producing better machines and in carrying the values, *which make us different*, to a better place.<sup>194</sup>

In GTO's webpage, the section, which explains the local characteristics of the city singles out 'geographical structure,' 'transportation,' economic structure,' 'tourism' and 'Antep resistance.' GTO funded the preparation of a webpage<sup>195</sup> and a documentary about the resistance. The president of GTO, Mehmet Aslan, argued that the vision that they sketched (converting the national struggle into the economic one) is not only for Antep but also for Turkey.

## 8.2 Remembering the City: The History Haunting the Present

This single Turkish city [Gaziantep] liberated itself from the invaders with its own heroism and without *any financial help*. And it deservedly earned the title of Gazi (veteran). Any city, town, or hamlet that calls itself Turkish may take the people of Gaziantep as an example of heroism. Mustafa Kemal Atatürk, 25-12-1936<sup>196</sup>

Defined as a "catastrophe", a "calamity", and "great pain" by the locals, *Antep Resistance* is still one of the most central reference points that local people employ in explaining the spirit of the city. This spirit has definitely put its mark on the urban space. Streets, neighborhoods, even the administrative regions of Antep municipality are named after the prominent figures of the resistance. Today, Gaziantep consists of

<sup>194</sup> From Fatma Sahin's speech in Gaziantep, December 2011.

<sup>195</sup> <http://www.gaziantepsavunmasi.org/index.php?sf=8>

<sup>196</sup> This is one of most referenced sentence of Mustafa Kemal Atatürk by the GTO and GSO. See, <http://www.gto.org.tr/> and <http://www.gso.org.tr/>.

two main administrative zones: *Sahin Bey* district covering residential areas, offices, restaurants, and shopping areas, and *Sehit Kamil* district, which covers the industrial areas of the city such as organized industrial zones, free zone and small industrial zones. Sahin Bey and Sehit Kamil were both significant figures of the resistance: the former was a 'brave commander' in the resistance and the latter was a 14-year-old child who was slaughtered by the French soldiers. His death is believed to trigger the local resistance.

In his article, *Antep Imgesinin Zaman Icindeki Donusumu*, Gultekin (2011: 57) rightly claims that the key to understanding the contemporary Antep in its complexity lies at the manifest and concealed meanings revolving around Antep resistance. For Gultekin, these meanings denote the 'desired image' of Antep; this is why they are proliferated repetitively in the official discourse of the local history of the city. In the new political order of the Turkish Republic, the pragmatist attitude of the local elites imposed a rewriting of the local history in which certain moments are selected, emphasized and polished whereas others are silenced, erased and/or left to the lapse of memory. Despite the abundance of repetitive historical analyses regarding the course and the local dynamics of the resistance, the processes of fabricating the 'truth' of the resistance remained untouched. In this sense, Gultekin's article constitutes an exception; it challenges the myth/s of not only Antep but also its heroic place in the Turkish nationalism. I will take his quite valuable analysis one step further, and discuss how the 'truth' about Antep resistance is related to the reconstitution of subjects in the neoliberal market. Before passing on my discussion, a very brief historical background of the resistance is necessary.

At the end of World War I, what remained of the defeated Ottoman Empire was occupied by the Allied Forces. Following the Paris Conference in 1919, the Allied forces reached an agreement regarding the partition of the empire: Sultanate was not terminated and allowed to rule Istanbul and the inner regions of Anatolia; West Anatolia was offered to Greece, and was quickly occupied by the Greek army; East Anatolia was offered to Armenians; Western Mediterranean coast was offered to Italy, Eastern Mediterranean coast along with Syria and Lebanon was left to the French rule; Palestine, Iraq and Jordan were under the rule of the English troops.

Surviving Ottoman Armenians from the 1915 genocide started to return to their cities, English and French troops started to occupy their zones of influence.

The French troops arrived in Antep on September 1919. During the same months, in Anatolia a group of ex-officers of the Ottoman Army were gradually organizing a nationalist oppositional movement, which rapidly gained momentum with the participation of the provincial CUP organizations and the Moslem bourgeoisie in Anatolian cities (Keyder, 1987: 73). Oppositional movement quickly spread to Antep, a branch of TM was established with the participation of the local elites of the city. In January, the growing tension in the city started to reveal itself through conflicts between the French soldiers and the local Muslim populations, and reached its peak in January 1920 when the soldiers killed a 14-year-old child who later became the hero of the resistance, *SehitKamil*. In his memoirs, the Lieutenant Colonel Abadie (1922: 41) of the French army in Antep mentions the incident very briefly stating that the local population reacted furiously to the incident and the local aggression against the French army started to get loose. The tension in the city was accompanied with the growing tide of armed conflicts outside Antep. Local tribes and cavalry groups from the environ villages were organizing sporadic attacks to the French convoys carrying ammunition and military equipment to the city center. The Kurdish cavalry forces of Hanano around Kilis, attacking the French convoys caused significant losses to the French forces (Kirzioglu, 1984 cited in Guntekin, 2011: 60). Karayilan and his militia around Pazarcik won significant military victories against the French convoys; yet he was killed in an attack in May.

Continual defeat in attacks and the loss of military control over the French convoys resulted in military support from the central government in Ankara, Mustafa Kemal sent Kilic Ali for the organization of the resistance who later became the MP of Antep between 1920 and 1938. In April 1920, armed conflicts spread to the city center. In August resistance forces succeeded in conquering the city and expelling the French troops to the outskirts of the city. For six months, the city resisted to French siege without any support of ammunition and food supplies from the nationalist forces and the central government in Ankara. During the siege and the armed conflicts, the *Heyeti Merkeziye* in Antep made several calls to the central government asking for military backup. Yet no back-up was sent as the priority was the large-scale war

against the Greek army in Western Anatolia. Rather than risking the life of his soldiers in close-up armed conflicts, the French Lieutenant Colonel Abadie chose to remotely guide the war through bombardments and remote attacks. By the January 1921, half of the city was ruined under bombardments; around 6000 people were dead; and the famine reached insufferable levels. On February 6, the *Heyet-i Merkeziye* received a telegram from the central government in Ankara. It informed that the parliament in Ankara enacted a law, and Antep was accorded the title *gazi* (veteran). The members of *Heyet-i Merkeziye* including Kilic Ali and the local elites who actively gave support to the resistance left the city immediately. On February 9, the city surrendered. Seven months later, in October 1921 French government and the Ankara government signed the Ankara Treaty. On December 25, the French troops left Antep. The Armenians started to leave the city in the spring and migrated in large groups to Beirut and Aleppo. When the French troops left the city, there was almost no Armenian family left.

There are few books written short after the end of the war. Mostly written by soldiers or commanders, these texts discussed the French siege or the Antep resistance from different perspectives with mostly technical and military vocabulary and in a ‘reserved tone without any emotions’ (Dai, 1992).<sup>197</sup> It is in Sahir Uzel’s book, *Gaziantep Savasinin Ic Yuzu*, published in 1952 that this reserved and technical tone is left aside and the heroic character of the resistance and its exceptional nature became manifest. While the narratives of the war were mostly produced and confined in close intellectual circles of local notable families, local elites and soldiers until the 1960s, the narratives on the resistance became popularized when a prominent local journalist, Adil Dai, started to broadcast a program on the testimonies of the resistance in a local radio. The show started in 1963 and lasted for 15 years. Every week, people who actively participated in the resistance, or witnessed the resistance were invited in the show and told this heroic war from their perspective. When Adil Dai, the producer of the program could not find real testimonies, he invited people whose parents participated in the resistance.<sup>198</sup> In the meanwhile two books Ali Nadi

<sup>197</sup> The memoirs of the French Lieutenant Colonel Abadie, *Les Quatres Sieges D’Aintab*, published in 1922, and Mustafa Nurettin’s book *Hubb-i Istiklal’in Abidesi Gaziyintap Mudafaasi* published in 1924.

<sup>198</sup> In the early 1990s, Adil Dai (1992) brought these interviews together (although the records of the radio show were lost in the archives), combined them with the already written books, corrected the contradictory details and provided the ‘most accurate version’ of the resistance. He justifies the

Unler's book, *Gaziantep Savunmasi*, and Mehmet Solmaz's *Karayilan* were published in 1969 and 1963 respectively. From bits and pieces, the backbone of the narrative was built around certain motives; its heroes and traitors were identified. In the 2000s, when the GSO and GTO started to re/conjure the 'lost soul' of Gaziantep, there was already an established narrative on the war proved through the testimonies, scientific historical research and established in relation to the idea of what constitutes a *Gaziantepi*.

Cities, just like the nations, are the "products of time"; they are the media in creating or fixing temporality in order to shape not only the perception of the past but also of the future. As Mumford had put it beautifully in 1938, the present of the city is bound by its past: "In city, time becomes visible. Through the material fact of preservation, time challenges time, time clashes with time" (1994: 4). In this sense, Gaziantep's present has always been bounded by its history, how it has been narrated and how it has been framed. In his study, which focuses on the transformation of the image of Gaziantep and Gaziantepi throughout the Republic, Guntekin (2011) argues that starting with the foundation of the Republic, the notable families and economic elites of the city devoted considerable effort in *Turkifying*, thus *urbanizing* the local history of Aintab. This self-repeating official narrative with strong racist and ethnicist tendencies, which focuses on the early 20<sup>th</sup> century and the Antep resistance as a focal point radically restructured the perception of time and space. It imposed an image of Antep with clearly defined boundaries (which overlap with the administrative boundaries of the city) of what constitutes Antep and who constitutes *Antepi*. By demonstrating the ever-changing boundaries, thus the non-existence of the boundaries of the city during the Ottoman Empire and the Republic through annexed and removed villages and regions, Guntekin argues that such definite boundaries were necessary in order to island Antep as a homogenously Turkish city in a vast multi-ethnic and multi-religious polyglot geography (43). Arabs and Kurds are rendered invisible, devalued, excluded from the course of local history whereas Armenians are turned into traitors and malign components of the past.

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accuracy of this account as it is based on testimonies. In the beginning of the book, many notable figures of Antep thank him for bringing the facts of the resistance with the emotions and providing a clear picture of what actually happened.

Such an essentialist Turkish and urban identity imposes a perception of Antep as a unified, classless and monolithic entity (54), which is governed *as if* by a collective mind (chapter 4). For instance, during the siege, many local elites were against the resistance. Dai (1992: 206) defines them as the ‘supporters of peace/welfare,’ the French Lieutenant Colonel Abadie (1922: 45) mentions kidnappings and disappearance of many Turkish people in relation with the French officers. From Unler (1969: 45), we learn that during the resistance the members of *Heyet-i Merkeziye* prepared a list of local notables to be sent to exile in Maras, as they were believed to help the enemy. Throughout the years, all these different views during the resistance have been eliminated, and the resistance is represented as supported by a unified bloc:

In effect, when the English and French armies arrived in Antep region, the people of Antep were divided into two groups, *unified* in their aims but *opposite* in their performances. Both of these groups aimed to cast the enemy out of the country. In the peace-oriented-mediator group there were the intellectuals and representatives of some notable families. They were small in numbers. In the second warrior-hitter group there was the crushing majority of Antep Turks. In the first months of the resistance, the peace-oriented-mediator group kept good relations with the French army (...) worked as a *cover* to allow time for the warrior-hitter group to organize [the resistance] (...) [when the war started and the warrior-hitter group took the initiative] the peace-oriented-mediator group immediately *receded* (...) People who have no idea about the principles of *Gaziantep Turkishness* can never understand these two supposedly opposite performances (...) Antep Turks had always solved the problems at the national scale in their favor through their specific methods. (Yetkin ve Solmaz, 29-35 cited in Gultekin, 55-56)

Such a perspective not only melts all differences into a unified Turkishness but also erases social classes and class interests from the picture. The *Antepli* speaks the discourse of a certain segment of male ‘notables, merchants and the religious elites’ (Gultekin, 54) who are definitely Turkish.

None of the books mention the deportation of Antep Armenians in 1915 or the massacres in the late 18<sup>th</sup> century. Since the history is wound up to 1919 and onwards, the Antep Armenians are depicted as the ultimate ‘traitors to their homeland and neighbors.’ Although the 1915 deportations were not accompanied with massacres in Aintab compared to other cities such as Diyarbakir (chapter 5), many Antep Armenians lost their lives during the death march in Der Zor (Babayan, 31). Whether

the Armenians gave military support to the French army or not is a tricky question.<sup>199</sup> Still, the early books about the resistance (Uzel, 1952, 64-65) represent the Armenians as a neutral group in the beginning of the war to which both the French side and the Turkish side played tricks to gain support. Then, in the late 1960s and onwards, the narrative on the Armenians turns into a ‘history of betrayal’ of the Antep Armenians (Gullu 2010; Pamuk 2009; Gungor, 2004; Unler, 1969). Moreover, memoirs of the Antep Armenians about the Antep siege (a few studies in number) tell that what defined the status of Armenians during the siege was situated within a broader course of events and geography. Babayan (2010) was an Armenian priest who survived the desert of Der Zor and returned to Antep in 1919 after the French occupation. From his memoir, we learn that only 10-12 people survive the deportation to Der Zor in his clan of 100-110 people. Before the siege, he writes his frustration about the French policies. On June 8 1920, the French government that could not control the skirmishes within the city receded to its garrison outside the city leaving the city to the administration of the Turks. On June 8, he writes

With the 20-day truce period having ended, the French announced that the city would be surrendered to the Turks. The colonel (...) ordered that all the French flags in the Armenian sector be taken down. Thus, ‘chivalrous’ France was delivering us survivors into the hands of the Turks so that the latter could complete the April 24<sup>th</sup> massacre. (2000: 44)

On August 16, short after the commencement of the Antep siege the writings of the priest Babayan are in line with the early writings of the Turkish authors on the resistance

The bombardment continues on both sides. The French wants us to break off our neutrality. I don’t know the extent to which it is possible to trust the fickle policy of the French. At the same time, the Turks cannot be trusted either. Thus, the difficulty in choosing sides is quite evident. (2000: 47)

I dealt with the accumulation of wealth through the dispossession of Armenians in the southeast Anatolia in chapter 5. In Antep, this accumulation started short after the French left the city along with convoys of Antep Armenians to Aleppo. Adil Dai

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<sup>199</sup> The memoirs of an American nurse, Sylvia Eddy indicate that Antep Armenians gave active support to the French army, and heroically resisted for 314 days. For a detailed discussion of The Armenian Antep Resistance, see A. Gesar and others, “Agony of a City: The 314 Days of Aintab, Parts 1 and 2,” *Armenian Review*, 30 (2) 1977, pp. 115-147 and 30 (3), 1977, pp. 265-281.

(1992) who can be taken as one of the ideologues of the resistance and a member of one of most prominent families of Antep writes:

Today if you go to Beirut or Aleppo, you will see many Armenian families who still speak Antep dialect, cook Antep food and burst into tears when they hear the word, Antep. However, they always waited for the weakness of the Turks, made use of this weakness and when they did not have this opportunity they did not refrain from licking Turks' boots (...) [Before leaving Antep,] the Armenians sold their houses, properties without thinking whether expensive or cheap (*ucuz pahali demeden*). Some of them buried their money and guns in the yards of their houses or inside the walls. Then, during the excavations and repair works that were held for various reasons, these guns and money were found by the local people (218).

Today, the Antep Armenians are still a big taboo and 'off-the-record-topic' for the locals. When the Armenians are mentioned, they are represented as the real factor behind the success of Gaziantep, the real craftsmen of the city. The long tradition of craftsmanship is defined as the *heritage* of the Antep Armenians to the city. None of the people that mentioned the Armenian culture and crafts and their significance in Gaziantep's economy wanted me to mention their names, and use this information in my study. Useless to say that in none of my interviews with the local chambers, Armenians were mentioned even once.

The resistance was urbanized and *Turkified*: the official historiography on the Armenian Genocide was reproduced one more time at a local scale. Armenians who were expelled a few years ago were defined as the traitors and allies of the French troops. The resistance was narrated solely with reference to the urban centre and mostly through Turkish elements, which trivialized the participation of Kurdish cavalry forces that attacked the French convoys on the countryside. Şahin Bey, an ex-officer in the ottoman army with affiliations to CUP (Committee of Union and Progress) was highlighted as the most significant hero of the resistance whereas Karayılan who is known to be Kurdish and rural was just left to secondary importance. The name of the neighborhood Kurttepe (Kurdish hill) that used to accommodate the Kurdish populations of Antep was changed to Turktepe (Turkish Hill). The Kurdish referents in folk songs about Karayılan and the resistance were picked and erased (Guntekin, 2011: 65).



What I have delineated so far perfectly matches with the general lines of the official historiography regarding the history of Turkish nation as well as the Independence War: the treason and the threat of the former Ottoman Christians (Greeks and/or Armenians), the elimination of the share of Kurds and other ethnic elements in the official historiography of the foundation of the republic, invention of child heroes, saving honor of the country and the women, a victory made out of poverty and dearth. What interests me more is how these local narratives are adopted and forged in line with neoliberal restructuring. Contrasted to their increasing ties with Europe, USA and the rest of the world, the prevalent local discourse on globalization and the cosmopolitanism of the city, as I have already indicated in previous pages, the Antep resistance still occupies a central place in the construction of not only an city image but also it is a defining characteristic of the *Antepli*. Since memory is a contested terrain, which is re/shaped and re/structured through the present, the narrative on the resistance is reinvented one more time in the early 2000s by the local business associations.

Although Turkishness as a leitmotif is kept, today the heroism of the people of Gaziantep is seen as inscribed in their genetic structure, which includes ‘innovative genes,’ and the whole resistance proves the continuation of this genetic structure through the generations. The war was actually ‘an innovative war’, which betokened the present Gaziantep exporting to more than 170 countries

Factory of Armory in Antep is one of the most fascinating examples of the innovative and creative spirit of Antep people, which rejects “the impossible” and idealizes the knowledge (...) The people of Antep created bayonets from the iron of ploughs and window grids, they produced cannons out of wagon axes and wood. They used pinecones to connect and extend telegraph wires.<sup>200</sup>

“We learn all these now, Antep resistance is so fascinating that the more you dig, the more you learn about yourself,” said a businessman in his forties. He was talking about the factory of armory, which was first mentioned by Adil Dai in his book, *Olaylarla Gaziantep Savasi* in 1992. One of the working foremen in the factory, Tufekci Hacı Yusuf Usta succeeded in putting his name among the most prominent industrialists of the republican Antep. Today, his business is transferred to his son, Mustafa Yıldırım Demir who defines himself as ‘an art thief.’ Yıldırım Demir has

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<sup>200</sup> Interview in Gaziantep, May 2010.

developed more than thirty patented equipments and machines (Mortan: 24). Haci Yusuf Usta is among the names mentioned in the small industrial zone of craftsmen running small ateliers. His company, Tufekci Makina is an example of the success of Gaziantep. Its owner was a traditional craftsman who defended bravely the city and became a huge name through originality.

But why did GSO and GTO start a campaign regarding Antep resistance in the mid 2000s? The timing of the campaign encapsulates many things. As Guntekin (2011: 57) argues

To build an identity upon a war and a sacrifice (bedel) against such powerful structures (the intruders trying to invade the country) creates an arbitrary freedom in choosing between the concrete facts and elements of the social history. In this constructed history, the Kurds and Arabs are always outsiders and looters (...), traditional communities that are susceptible to treason and complicity with the enemy (Gullu, 2010: 52-3). Armenians are the people who exploit the local populations and betray the prosperity that Antep laid before them.

In an era, which makes difference and uniqueness compulsory and is guided by the motto "Make it different or perish," what would be the uniqueness of Gaziantep? Comaroff and Comaroff (2009: 41; 53) argue that in the global neoliberalism, which is characterized by the fetishism of law – copyrights, patents, titles, intellectual property and litigation – cultural identity becomes both precipitate of alienable natural essence of genetics and biology and voluntary self-fashioning. This is the doubling inherent to cultural identity: blood/genetics and choice/performance. Once the Kurds who ‘own half of Antep’ are construed as outsiders and the Armenians who ‘constituted the backbone of the local economy’ become the traitors, how can an *Antepi* be constructed? It is through the *genetic heritage* – a disposition to invention, struggle and commerce – that can be traced back to the rupture, 1919. Through a contentious characteristic inherited from the resistance, which is passed through generations and a culture inherited from a genetic heritage, which validates itself in the patents and brands, an authentic *Antepi* is re/born; a heroic and innovative struggle that is unique and non-repeatable clearly differentiated Antep from its competitors.

Once authenticity is constructed with such strong references to the “the ravages of a war” and “sacrifices” (bedel), it confers an aura of superiority turning Antep into a

model to be followed by the rest of Turkey, a model which is validated throughout history (as argued by Mehmet Aslan, see page 234 in this chapter). In a rapidly growing local economy, claiming authenticity on the grounds of Antep resistance also confers an aura of moral superiority and a strategic advantage to a certain segment of the business class over the new-comer entrepreneurs and the working class who certainly lack ‘such innovative disposition.’ It reinforces the collective mind, and the ‘dreams’ of an industrial bourgeoisie as well as the neoliberal reordering of the market through the reinforcement of its self-help development model. As already noted, the timing of the campaign also encapsulates many things. In the intensifying interlocal competition in 2000s, when Antep is ‘left alone’ one more time by the state (Chapter 4), the authentic *Antepili*, speaks to the state stating that he did not forget and will not make people forget.

Moreover, in a city that experienced a radical increase in its population due to the received migration ‘from the region’ in the last twenty years, which destabilized the class structure along with identifications and performances of identity, the authentic *Antepili* reminds the newcomers the boundaries of class distinctions, claiming a morally superior position built upon owning the city and its “unique” success.

### ***8.3 Consuming At a Distance: Geographical and Ethnic Boundaries***

In Antep wealth is performed through modesty. Showing off wealth is usually seen as an immoral act. It is functionality and benefit that defines the material value of a commodity. During my interview with SANKO Holding, Konukoglu mentioned the role of his father, and his grandfather in shaping his perception of business with their modest characters. *Infamy* (dile dusmek/dillenme), *show off* (bellenme/gosterise ozenmek), and *spotlight* (ellenme/one cikmak) are the main sins and refraining from them guided the private life of Abdulkadir Konukoglu, and many wealthy families of Antep. Money can be spent on the education of the younger generation, research and development of production technology, and business related activities, which are thought to bring economic benefit to the city and its inhabitants. Charity works are also welcomed; both SANKO and NAKSAN (the biggest firms of the city) proudly shared their charity activities in the city such as building schools and residence halls for students, benefits in kind such as free meals for their workers during Ramadan and other religious days. Many business firms in corporation with MHA also initiated

housing projects for their workers, which are also seen as part of their charity activities.

While the charity activities decline sharply in medium-sized firms, the discourse on “creating social benefits through entrepreneurial activities” continues to be the legitimate ground upon which the business class builds its *raison d’être*. One of the owners of a textile factory explains how the hardworking characteristics of Antep people and the codes in the local culture prevent them from conspicuous consumption and help to canalize the profit to further investments

In Antep, you cannot differentiate the owner of a factory from his workers in the first sight. We are modest people; we are not like the bosses in Istanbul or Ankara. We do not wear fancy cloths; we do not live in luxury. In our culture, luxury is a sin. Because we know how hard it is to make money. If you earn your money through decent ways and through your hard work, then you cannot spend it on unnecessary things.<sup>201</sup>

Social life of the business people is limited to private sphere, mostly family visits, and *sohbets*. When it is public, it is mainly business meetings and trips for the businessmen. If the life in modern city was marked by a scopic economy of the performance of seeing and being seen, the life in Antep is marked by the performance of hiding; the wealth is hidden in the unseen. Consumption in its various forms is veiled in the city life. A woman entrepreneur from Gaziantep finds it quite odd to go to Adana or Mersin to buy things or to get socialized:

Here in Gaziantep, people have odd habits. For instance, just walk out of my office and take a look at the restaurants, cafes, and shopping malls in the city. They are all empty. Even on the weekends, these places are sparsely populated. But on the same weekend if you go to Adana, you will see all your friends there... I also prefer leaving the town for the weekends, I feel more comfortable when I am in İstanbul or Adana.<sup>202</sup>

The performance of modesty or the refrain from show off is defining characteristics of the urban life. The fear of infamy and spotlight (*one cikmak*) echoes in the discourse of moderation, which is seen as a principle to guide the social life in the city. As already discussed in Chapter 4, moderation is an overarching value leading to a form of self-disciplining mechanism which wipe out different views, tastes, desires and

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<sup>201</sup> Interview in Gaziantep, September 2009.

<sup>202</sup> Interview in Gaziantep, May 2009.

mold them into the collective mind. It also delineates the boundaries of *Antepli*, and differentiates the people of Antep from the newcomers.

As already mentioned in Chapter 7, many local businessmen feels that the authentic *Antepli* and the cultural values of the city are in great danger because of the migration that Antep received in the last 20 years. With the migrant entrepreneurs, “consumption” and “luxury” started to infiltrate the local customs and lifestyles of Gaziantep, which used to be “modest” and based on “concealing wealth”. Fancy cars, luxurious houses, which did not fit into the local values, became apparent after the late 1990s. A businessman, the former president of the GTO is more explicit in relating the ‘corrupted wealth’ and ‘degenerated lifestyles’ with the new comers:

Antep always paved its own way. State made no investments to this city. But the people of Gaziantep are intelligent and hardworking artisans. They are clever and socially talented men. The men in Urfa have their houses and villas in Istanbul. But the important thing is to develop your own business here [in your own city]. They buy jeeps, they buy houses, but what is the benefit of a jeep in life? This man has no peace in himself; this is why he needs to put on airs and graces.

And he continues:

The traditional families of Antep unfortunately could not secure their places in the local economy. People including strangers to this city gradually took their places. *390 of these places are owned by the new generation and the strangers.* The essence of Antep is the culture of love and respect. But now these *imitators, liars, and felons* are the majority. They are the people who came among us later, and we have nothing to do with them. They have nothing to do with our essence. We never gave them a place in ourselves. Many of them come from the East: Urfa, Cizre, Diyarbakır, Mardin. We never discriminated against them because of their Eastern origin. We embraced them all. They are welcomed as long as they do not harm the essence of this city. Some of them are valuable people, they quickly adapt to our values, worldviews. But this is not true for all them.<sup>203</sup>

As I have already discussed in Chapter 7, there are conflicting figures about the share of migrant businessmen in the urban economy. Yet, the boundaries between the newcomers and the *Anteplis* are usually drawn in terms of life-styles and consumption performances. Migrants are seen as the spoilers, they represent the conspicuous

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<sup>203</sup> Interview with Mehmet Geyik, one of the ex-members of the presidential cadres of GSO. Gaziantep. May 2009.

consumption. Intra-bourgeois divisions and overlapping ethnic differences are defined through the discourses on consumption.

#### ***8.4 Bringing the Culture Back: The Mélange of Modernity with the History***

Our journey starts in front of Antep Castle, which is believed to date back to Roman Empire. As defined by the Evliya Celebi ‘the son of Aleppo Castle’ because of its architectural similarity, the castle of Antep sits on top of a hill and is visible from anywhere in the city. We take the stairs of the castle on our left, Boutique Hotel and Sirvani Mosque on our right and head to the streets of the historical city. We visit Pasa Hamam, then Emine Gogus Cuisine Museum. This historical house (*Konak*) was donated to the municipality by Ali Ihsan Gogus, a member of the notable Gogus family. He was an MP from the Republican Party and the first Minister of Tourism in Turkey. In Emine Gogus Cuisine Museum, traditional food of Gaziantep is represented along with the recipes and traditional kitchen tools. On our way, we pass through renovated traditional Antep Houses and Armenian Houses that are now turned into boutique hotels or cafes designed in authentic ways; some of them have illustrations of the authentic Antep lifestyle with display figures. Among the lodgings (*Han*), Millet Hani is renovated by a businessman, a former GTO president. Kurkcu Hani with its beautiful gate is still under renovation. We pass the historical Karagoz Mosque that is famous for its minaret and the historical coppersmith bazaar, which is now renovated by the municipality. We reach the historical Tahmis coffeehouse, which now closed for renovations, then walk back to the castle through renovated lodgings and historical houses. Few houses could be restored, and the modern ones are all painted in white, all nameplates are standardized. Then, we reach the castle, visit the 14 martyrs memorial, which is built for the memory of the 14 children killed by the French soldiers, pass the historical Naib Hamam and climb the huge stairs to the historical Antep castle. The inner castle is closed for renovation but a Panorama Museum of Antep resistance is opened in 2010. On the road to the castle, Antep resistance is personified in statues. In Panorama Museum Antep resistance is narrated in detail through photographs, videos and illustrations of the local heroes of the resistance. This is the end of 5,5 km long culture road, a huge renovation project that started in 2004.

The culture road project is a joint project of CEKUL and Gaziantep Greater Municipality. The renovation of the historical coppersmith bazaar was planned by CEKUL. Following its renovation, Greater Municipality in collaboration with CEKUL, local municipality of Sahinbey, Gaziantep governorship, GSO and GTO and the Chamber of Architecture started a cleansing operation. Along with the budgets of local state institutions, financial support was collected from EU funds, MHA and the budget of Ministry of Culture. In five years, 40 registered historic buildings including historical streets, lodgings, mosques, and *hamams* were renovated. In 2007, Greater Municipality received the Metin Sozen Protection Award, and a year later, municipality received the Sustainability Award.

In 2010, Greater Municipality in collaboration with CEKUL started the renovation of Bey neighborhood, the historical Armenian neighborhood. The EU funded project includes the renovation of 200 historical houses. The mayor Guzelbey states that the Bey neighborhood, which used to be an Armenian neighborhood of the old Antep now is turning into ‘an attraction center’ with boutique hotels, shops, and cafes.

The most important feature of Bey neighborhood is that the birth record of Ataturk is in this neighborhood. Many people are surprised when they hear this. In 1933, after the resistance Ataturk visits the city, and transfers his birth record to Gaziantep, to the Bey neighborhood as a response to the efforts of Antep during the resistance. Now, we are planning to open an Ataturk museum in Bey neighborhood. In the Ataturk Memorial House, Ataturk’s wax figure will move and speak. This will be the first of its kind in Turkey.<sup>204</sup>

The mayoralty of Asim Guzelbey signaled the beginning of a new era of urban development in Gaziantep. Asim Guzelbey’s aim was to make Gaziantep ‘a city of museums and culture,’ thus he immediately initiated a number of huge urban projects such as the renovation of the historical buildings on the ‘culture road,’ the construction of the ‘biggest Zoo’ in Turkey, and the first planetarium in the region/Turkey. The biggest mosaic museum in the world, Zeugma museum, Bayazhan City Museum, Glass Art Museum, Gaziantep War Museum, Mevlevihane, Toy Museum, Coppersmith Museum are also opened to visitors during his mayoralty. Guzelbey Hamam museum, Ataturk Museum and Industrial Museum are planned to be finished in a couple of years. Guzelbey’s cultural move is situated within a broader

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<sup>204</sup> Interview in Gaziantep, December 2011.

city image that he wants to realize before his mayoralty ends. I have already discussed the ‘vision’ of GTO on culture: inciting tourism as a supplier of industry. For Guzelbey cultural revival should be combined with a more integrated approach on consumption in general:

In 2004, we asked ourselves this question: How can Gaziantep get a bigger share from the tourism market? (...) You cannot become a tourist attraction just by preserving history. You have to think about the children and the young generation. Before our mayoralty, the families of Gaziantep could not find anything to do in the city, and they went to neighboring cities such as Adana or Mersin. But now we changed the courant in an opposite direction. Now, nobody goes outside the city and plus Gaziantep became an attraction center for the neighboring cities. Families come; their children wanted to se Planetarium or the Zoo. We took this issue at hand from many perspectives. We combined technology and modern conception of urbanization with history.<sup>205</sup>

By ‘many perspectives’ he refers to the cultural make-up, which is necessary to not only attract tourists but also to attract the human capital and qualified workforce for the local economy. As leisure and consumption are inextricable categories, the consumption habits in the city are shaped around family life. What Gaziantep needs is a lively urban image in line with the necessities of managerial middle class strata that would satisfy the city’s growing demand of qualified workers. Businessmen associations are partners of this cultural revival. “Gaziantep is an industrial center, and this will not change in the near future,” said a businessman. “It can be an industrial center and at the same time a museum city, these two are not exclusionary.”

In the last couple of years, Antep witnessed the proliferation of shopping malls; the bisggest is the SANKO Shopping Mall.

### ***8.5 Recapitulation***

In her recent work, *Naked City* (2010), urban sociologist Sharon Zukin argues that the ‘overbearing sameness’ resulting from the expanding scope of gentrification and privatization of public spaces constitutes a threat to the diversity of communities in cities, which are turned into corporate entities. Cities are no longer places where people can put down ‘roots,’ but experiences of performance and consumption, which destabilized the established forms of belonging. Her analysis is grounded in the

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<sup>205</sup> Interview in Gaziantep, December 2011.



transformation of New York including the renaissance of Harlem bringing the white middle classes into a black ghetto, the privatization of Union Square and the gentrification of East Village and SOHO. In the end, Zukin concludes that corporate cities lost their ‘souls.’ This is why claiming authenticity became prevalent in our era more than ever. For Zukin, claiming authenticity is a strategic act for distinction since the authentic is different from the others and is built upon an aura of moral superiority.

In this chapter, I focused on the formation and transformation of the material culture of Gaziantep under the disciplinary force of neoliberalism. In the first section, I analyzed how through brands and the process of branding the businessmen of Antep attempt to differentiate their city from its competitors in the intensifying interlocal competition. Antep resistance, which constitutes an important reference point in the city image and their project of place branding, is rediscovered one more time under the entrepreneurial lenses of the business circles. Through the contentious characteristic inherited from the resistance, which is passed through generations and a culture inherited from a genetic heritage, which validates itself in the patents and brands, an authentic *Antepli* is re/born; a heroic and innovative struggle that is unique and non-repeatable clearly differentiated Antep from its competitors.

This authentic *Antepli*, which is constructed with such strong references to the “the ravages of a war” and “sacrifices” (bedel), I argued, confers an aura of superiority turning Antep into a unique model to be followed by the rest of Turkey, a model which is validated throughout history. It also confers an aura of moral superiority and a strategic advantage to a certain segment of the business class over the new-comer entrepreneurs and the working class who certainly lack ‘such innovative disposition.’ It reinforces the collective mind, and the ‘dreams’ of an industrial bourgeoisie as well as the neoliberal reordering of the market through the reinforcement of its self-help development model.

In the second part of the chapter, I focused on the performative constituent of the authentic *Antepli*: the performance of modesty. First I discussed how consumption became the arena in which differences between the real *Anteplis* and the newcomers are disputed. In the narratives of local businessmen, migrant entrepreneurs are identified with conspicuous consumption and luxury, which started to infiltrate the

local customs and lifestyles of Gaziantep. This went hand in hand with the opening of the public sphere of Antep to consumption practices. During the mayoralty of Asim Guzelbey, which signaled the beginning of a new era of urban development in Gaziantep, massive urban regeneration projects were held in order to turn Gaziantep into a tourist attraction mainly for domestic tourism. Municipality in cooperation with businessmen started an urban regeneration project through the construction of museums and recreational areas activities for middle class families.

## 9. Claiming the Heritage: Stones, Walls and the Citadel<sup>206</sup>

“Are you a Kurd?” she asked. We were walking on the streets of Diyarbakır; it was dark already, on a cold afternoon. I was in Diyarbakır for only 3-4 days and got lost after my visit to GAP-GIDEM. Her name was *Delal* (meaning beautiful in Kurdish) and before her curiosity regarding my ethnic origin, she was telling me that as a stranger woman I should never walk alone in the streets when it gets dark, especially in Suriçi district and that I am lucky that I asked her how to go to my hotel, otherwise I could be easily purse-snatched or kidnapped by the men of the city. She was telling me about her life, her secretary job in the office of a dentist and the story of her family’s migration to Diyarbakır after the military forces evacuated their village in the 1990s. Our intimate conversation was interrupted by her question. I was unprepared for it and hesitantly said “No”. “Then, you are a Turk” she replied. My response made her laugh. After a long pause, she said, “You know, Turks are not the owners of this city, the people of Diyarbakır, they do not own this city. *We own the city of Diyarbakır*, the people who are forced to come here from their villages”. We were already in front of my hotel, we kissed on the cheek and she left.<sup>207</sup>

In March 2011, a popular newspaper in Turkey reported a recent “strange” incident in the city of Diyarbakır. In the article, it was argued that the rapid rise of land prices in the last five years redefined the city as a competitor with Istanbul – famous for the speculative rises in its land market since the 1970s. In Diyarbakır, land prices have multiplied fifty fold since 2005. Quite surprised by this dramatic increase in land prices, economic elites and businessmen fear that this speculative rise will not only bring a standstill to the construction sector, one of the locomotive sectors of the local economy, but also cripple the already stagnant industrial production. (Radikal, 2011) In the meantime, city councils, municipalities and NGOs have a busy agenda regarding the regeneration process that was actually initiated in 2010 in the Suriçi district, the historical city accommodating internally displaced persons and rural migrants. Started in 2000, the renovation of the ancient city walls gradually developed into a more inclusive urban regeneration project with the participation of a state institution, the Mass Housing Administration (MHA), Diyarbakır municipality and

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<sup>206</sup> The second part of this chapter is mainly built upon my article ‘Rescaled Localities and Redefined Class Relations,’ see Yuksel, 2011.

<sup>207</sup> Fieldnotes, January 2007.

governorship. Now put in limbo due to opposition from the parts of some groups within the local political and cultural elites who favor a more inclusive urban renewal within the city, the regeneration of Suriçi and the speculative land prices are part of a broader transformation that has taken place in the city in the last decade. For many observers, Diyarbakır went through a massive change in terms of urban design and spatial arrangement. This chapter attempts to contextualize this spatial transformation within the exigencies of the neoliberal era and the latter's relation to culture, heritage and consumption. I will first discuss the contested meanings and future projections of the city by the businessmen. Second part will give a brief discussion on the development of construction sector in the city as well as the urban sprawl in Diyarbakır. Third part will discuss the renovation of the city walls of Diyarbakır, and the Suriçi district, which inhabits an important number of internally displaced people.

### ***9.1 Dreaming the City: Tensions and Conflicting Views on the Urban Meaning***

During my preliminary fieldwork visit to Diyarbakır in the late 2006, on 11 December an explosion in the military lodgings caused five casualties, four of them were children. The explosion divided a five-floored apartment block into two, more than ten people were left under the wreckage and injured critically. The news agencies announced the explosion as breaking news. Since the explosion was in the military lodgings, the news programs were full of attested stories about the possible perpetrators. In a few hours, it became clear that the explosion was due to the over-use and the breakdown of the heating system of the building. In the afternoon, I had an interview with the president of the Association of Businessmen of the Southeast Association (GUNSIAD - Güneydoğulu İşadamları Derneği), which is an umbrella organization founded in 1992 through the cooperation of various businessmen associations in Kurdish cities.<sup>208</sup> The door was opened by the general secretary of the association; he invited me in and told me that the president Mr. Karaboga needed to leave early and he could help me and provide any necessary information in his place. After I explained him my topic and why I wanted to meet Mr. Karaboga, he made some introductory remarks about the underdevelopment in the region, the insufficient state support, and the ineffective subsidy program by the state. Then, he said: "You arrived on such a day!"

<sup>208</sup> Adıyaman, Batman, Bismil, Cizre, Diyarbakır, Mardin, Nusaybin, Siirt ve Şanlıurfa.

Why did you say this?  
 Didn't you hear? Today, we had an explosion.  
 Yes, I heard about it. They say that it was due to the malfunctioning boiler in the lodgings.  
 Does it matter? It is all in the news. Everybody's talking about the explosion. We are ruined!  
 I don't understand... Why are you ruined?  
 We are ruined! Now, everybody is talking about the explosion in Diyarbakır. We are tired of being told like this... Explosions, terror, conflicts... Diyarbakır, the nest of terror... Diyarbakır, the center of chaos...  
 But this explosion was due to the negligence of the personnel of the military lodgings. It is corrected in the news in a couple of hours. You shouldn't worry for this particular case.  
 No, I am worried! Don't tell me that we shouldn't worry. I am worried because this became our image! This city is famous for its explosions. This is our image, and I am worried!<sup>209</sup>

He was very anxious during the rest of the conversation. After 15-20 minutes of talking about the image of Diyarbakır, he told me that he needed to leave the office. He gave me two reports prepared for the Prime Minister; they were about the inefficiency of state subsidy program and included suggestions by the GUNSIAD to make it more efficient.<sup>210</sup>

For Castells (1971), and for Lefebvre (1991) and Harvey (2001), urban meaning is a “political instrument”, a result of a conflict between the different stakes and values held by the different groups and actors. Urban meaning can be politically contested by vulnerable social groups who seek to define belonging in particular ways. In some cases, the urban image may even provide “a mental refuge in a world that capital treats as more and more place-less”(Harvey, 2001). Yet, urban meaning can also be a vital aspect of economic policy and/or political success in the hands of local elites, and more importantly it is very much related to the localization of neoliberal policies. During my fieldwork in Diyarbakır, my later visits in 2010, one of the main concerns of the businessmen in Diyarbakır was the ‘image of the city.’ My interviews with businessmen in Diyarbakır were full of anxiety, worries and pessimistic ideas about the image of Diyarbakır in the national media and in the eyes of the national investors. Investments in manufacturing sector and tourism were seen as the life

<sup>209</sup> Personal Conversation from fieldnotes.

<sup>210</sup> The explosion in the military lodgings followed a bomb attack on 12 September 2007, which caused 11 casualties out of which nine were children. Turkish Revenge Brigade (TIT) undertook the attack. The explosion was preceded by a bomb attack on 3 January 2008, which left six casualties and more than 60 injured people. The attack was undertaken by Kurdistan Freedom Falcons.

jackets of the city, yet both of them depended on the amelioration of the image of the city ‘as an insecure place’ as well as ‘politically engaged.’

Today, some people say that the local economy of Diyarbakir is recovering. But this is wrong. Instead of shopping malls, this city should have investments in manufacturing sector and production (...) I believe the purpose of this [opening malls and creating recreational areas for the urban population] is to prevent the development of this region. I do not believe that shopping malls will regenerate the local economy (...) Why do we need foreign exchange? Why do we need tourists or exports? Because we want external sources, financial resources. So, we need investments in production sector. Tourists will not come here; they will go to safer places. When a bomb exploded in Antalya, people raised hell about it. Here, bombs exploit everyday.

Do they really exploit everyday?

They do not exploit everyday. But nothing changes (...) Lately; chief of police in Diyarbakir announced that Diyarbakir is among the safest cities in Turkey. But, look how it is represented. You have a very a product of a very good quality, you produced a very qualified product but you cannot market it. Your competitors are better at marketing. They market their products by casting aspersions on you. This analogy explains well the current situation.<sup>211</sup>

All the businessmen associations including the Chamber of Commerce and Industry were united around one ideal: to ameliorate the image of Diyarbakir. Starting from the early 2000s, the municipality was putting so much effort in becoming a brand city of art and culture in the Middle East (Chapter 4). This was situated within a broader political counter-hegemonic project of reviving the Kurdish culture and challenging the monolithic notion of Turkish culture and the attendant assimilatory policies of the Turkish state. The networks of Kurdish Diaspora in Europe as well as the creation of interregional intellectual and cultural networks helped the municipality to attract attention at the international and national level. However, this project of cultural revival did not always find approval on the parts of businessmen

Capitalist development did not bring economic development to Diyarbakir; it made the city more inward-oriented. In this city, four Fs are developing: *Futbol* (soccer), *Festival* (festival), *Fuhus*, (prostitution), and *Faiz* (usury). What does festival mean in a city without commerce and industry? It means numbing people. You go to a patient and you know that he has cancer. You make fun of him. People are starving to death. The seventy percent of the urban population are young unemployed

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<sup>211</sup> Interview in Diyarbakir, March 2007.

people. I will not be able to heal what has been done to this city. But I will organize a festival every week.<sup>212</sup>

The “cultural diversity turn” in the EU, and the transnational character of the Kurdish movement, allowed the local state actors to “jump scale” through culture and cultural strategies, whereas the local businessmen in the city are rather “ineffective” in articulating themselves to larger circuits of capital and bypassing the central government. Tensions between the business circles and local state institutions have prevented the business circles to articulate themselves into the trajectory of the city under neoliberal demands. Today, construction, construction-related activities and housing sector form a lifejacket for many firms in urban economy. The city’s economy chiefly depends on the construction sector.

Construction sector is a *must* for not only Diyarbakir but also for Turkey and the world. People are breeding; people should make houses. In Diyarbakir, construction sector experienced a boom in the last couple of years. People have capital, but they do not have the opportunities to turn it into industrial production due to the lack of necessary infrastructure. The easiest way to use this money is in construction sector (...) Here in Diyarbakir none of the construction firms employ professional methods (...) The profit is bigger and there is no need for professionalization. With a mediocre amount of capital and a small crew, you can start a construction business in this city (...) This is why in Diyarbakir, there are houses, which are more expensive than the ones in Istanbul. Lands are very expensive.<sup>213</sup>

The construction sector started attracting an important number of firms, and the cultural project of municipality, creating a ‘brand city of art and culture,’ was easily adapted into the economic agenda of businessmen.

In Diyarbakir, there are no hotels, which can accommodate tourists. There are no investments that will trigger the tourism. There was a project, Dicle Valley, which did not happen. The city walls are not renovated. We need investments that will trigger tourism. The city walls should be renovated soon.<sup>214</sup>

Abdullah Selam started with a small grocery store in the urban center. His family migrated to the city in the 1970s due to economic reasons. In the 1990s, he rented a marble quarry, and started exporting marble to Middle East countries. For him, the

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<sup>212</sup> Interview in Diyarbakir, September 2007.

<sup>213</sup> Interview in Diyarbakir, September 2007.

<sup>214</sup> Interview in Diyarbakir, September 2007.

future of the city lied in construction sector. ‘First the tourists will come, then the investments,’ he told me.

We made a huge investment in construction sector. We bought three big lands in the city center. One of them is the project of a big five star hotel (...) However, the bureaucracy in Diyarbakir acts in contradictory ways. On the one hand, they argue that the investment is necessary; businessmen should be sensitive to the problems of the city. On the other hand, they try to prevent the businessmen from expanding their businesses.

In a detailed way, he told me how the municipality did not open the land to zoning for the construction of this 5-stared hotel. The land was annexed to a high school, and for him the decision by the municipality was illegal and ‘artificial.’

I applied to the local municipality, to the greater municipality, to the chamber of commerce and industry. I applied to DISIAD. Nobody could solve this problem (...) These things should not happen. People will make investments here. If you do not support your own investors, how come you expect the others to come? Local state institutions in Diyarbakir, such as municipalities and the governorship, should support the medium-size investments; so that these medium-size firms get bigger (...) I have another project of housing. I bought a land on Elazig road. I am planning for a huge housing complex. All I need is that the local state institutions do not make trouble and prevent the investments. We are not asking for anything illegal.<sup>215</sup>

During my interviews with the Chamber of Architecture and the architects in the City Council, they mentioned that they work in close cooperation with the Greater Municipality, and the municipality upon their decisions rejected many projects, which would lead to irregular urbanization in the city center.

We have to stop irregular urbanization, and we have to follow the demands of a balanced urbanization. We do not need concrete buildings in the city center. We need green, areas, parks where people can come together. This is why some of the projects were rejected by the municipality. A man comes and he wants to open a factory in the city center, another wants to build a hotel. You cannot build a factory in the city center, and you cannot build a hotel wherever you want. We have great difficulty in explaining all these.<sup>216</sup>

The irregular migration stemmed from the forced migration, which led to the mushrooming of slum areas such as Baglar and the population transfer in the Surici district. While the families living in Surici gradually moved to apartment blocs in

<sup>215</sup> Interview in Diyarbakir, November 2007.

<sup>216</sup> Interview in Diyarbakir, March 2010.



Ofis, Toplu Konut or Yenisehir, the migrants who fled to the city during the village evictions occupied the empty houses.

## ***9.2 Building the City: Construction Sector and Kayapınar***

The sprawl of urban development in Diyarbakır, very basically consists of 4 major phases. In the 1930s, the city started to expand outside the ancient city – the Suriçi district – as new neighborhoods emerged consisting of modern apartments, buildings of local state offices, boulevards and squares. In the 1950s this area, known as Yenişehir, first began to attract the upper-middle classes who “fancy modern life” in apartments, and in the following years it gradually became the city’s commercial and administrative centre. Due to large land areas, which were reserved for a military base and an airport in the northern and western parts of the ancient city, the 1980s saw urban sprawl following a northwest axis and the emergence of suburban areas like the Bağlar district. After the 1980s, massive waves of migration, coupled with unplanned and uncontrolled urbanization, resulted in the spatial expansion of such suburban areas, as well as significant transformation of their demographic structure. Bağlar, now a district of almost 400,000 inhabitants, and Suriçi, which had begun to take in rural migrants even as early as the 1960s, now accommodate a myriad of vulnerable populations, including internally displaced persons and rural migrants. A fourth wave of urbanization mainly centered in the district of Kayapınar, which started in the mid-1990s. Formerly the village of Peyas,<sup>217</sup> the area was redefined as a *belde*<sup>218</sup> to facilitate zoning and rapidly became a construction paradise in the late 1990s. The population has multiplied 30-fold over the last twenty years, and Kayapınar is expected to accommodate more than 40,000 people over the next decade. Compared with high-density areas like Bağlar, Suriçi, or Yenişehir, Kayapınar is more sparsely populated and consists of apartment blocks and gated communities scattered around parks, shopping centres, and larger arterial roads.

In tandem with this development, *Hamravat Houses* – a project of Ensarioğlu Holding, which also undertook the construction of a medical centre in the city – initiated a series of posh complexes along the Elazığ-Urfa road, outside the city centre and away from “dangerous and unsafe” areas inhabited by migrants. Such complexes

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<sup>217</sup> *Peyas* village was owned by the Ekinçi family, one of the city’s wealthiest families.

<sup>218</sup> *Belde* (in Turkish) refers to interim administrative units between villages and city districts.

proliferated over the last five years and, as their names suggest, draw on broader global transformations that have shaped urban landscapes over the last decades. Gold Park, Misstanbul 1-2, Doğa Park Houses, Mezz Residence, Palmiye Houses, AZC Vadi Konakları, Diamond City, and Polat village (including Polat Millennium) are luxurious gated communities that reflect various projections about the future of Diyarbakır. As one of the informants claimed, Kayapınar and these new complexes along the Elazığ-Urfa road are the “nouveau Diyarbakır,” “a prosperous and wealthy city, as the capital of the Kurds deserves to be.” Another businessman refers makes reference to the transformation of the “image of the city” with Kayapınar, which previously “deteriorated” the urban economy and “intimidated” investors. The proliferation of cités, modern buildings, and even a landscape of construction sites, he argues, furnishes the city with a secure image of economic development and a convenient business climate. No longer a “city of terror”, Diyarbakır is a promising centers in the Middle East. It is striking to observe how the economic decisions in the local economy, intermingle with an urban image or urban meaning that is defined through “economic success” and development.<sup>219</sup> A businessman who owns a company in construction sector claims that

People cannot understand what we experienced in the 1990s. For instance, people cannot imagine the consequences of saying that you are a businessman from Diyarbakır, in business circles in the 1990s... All these people [the business people who migrated to the Western parts of the country] left the city. And they are not returning. Why should they? Here, we should offer them something. What you have in Istanbul, what they have in New York, of course, we must have in Diyarbakır.

In a stagnant economy that was unable to adapt to the export-oriented economic strategy of the 1990s, waves of migration turned out to be a boom for an already durable construction industry and related economic activities in the housing sector. Over the last ten years, the number of construction companies has almost tripled. Local companies range from well-established firms and brand names – such as Ensarioğlu Holding, AZC Holding (AZC Vadi Konakları) which owns AZC Plaza in Ofis, and Çeysa Holding which built the Diyarpark complexes, GoldPark, and Misstanbul 1-2, and has invested in Duhok – to relatively fledging firms such as Azel Holding, Bedir Yapı, and Bektaş Yapı, the latter of which recently undertook the

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<sup>219</sup> For a discussion of middle classes in Diyarbakır and their perceptions of development see Günay, 2009.

Diamond City project. All these developments inevitably mark a rapid and stark segregation in the urban reconfiguration, and run a great risk of turning Diyarbakır into a “divided city”. Middle classes as well as upper middle classes who prefer gated and “safe” building complexes, with parks and social facilities for their children, gradually started leaving their old apartments in Yenişehir, whereas migrants are rather segregated in inner parts of slum areas, such as Bağlar, or the historical city within the city walls. For many people, the green areas, parks as well as security reasons – which are usually expressed in interviews with reference to burglary<sup>220</sup> – are important factors that determine the housing preferences of the urban middle classes. One of the members of the city council states that compared to unregulated and uncontrolled urbanization before the 1990s, the Kayapınar region constitutes the paragon of urban development. Yet, he underlines the necessity of a more integrated approach that includes the possibility of encounters between various classes in urban life. He continues

I find these new districts functional for urban dwellers: they offer green areas, parks and social facilities for people living in these complexes, especially for the children. However, the idea of creating “safe areas” may isolate these people from the realities of the city...You see apartment blocks surrounded by walls, on top of walls you have barb wire, added to this you have security people in the entrance.<sup>221</sup>

While the growing housing market provides the local business circles with a breakthrough, the zoning and planning of the urban space becomes an arena of controversy between the local governorship, municipality and the MHA. In Diyarbakır, the first wave of urban development (between 1930 and 1950) was basically through the zoning of state owned land for construction. However, as already noted the locational centrality of the military base, hospital and airport, led to a condensed and irregular urbanization in the city. The rest of the state owned land lots are scattered around the metropolitan area between privately owned lots. Despite the land reforms, which allowed the transfer of state-owned land to municipalities, in Diyarbakır, land use and transfer became a conflictual ground between the municipality, the governorship and the state.<sup>222</sup> The ambivalent position of the MHA

<sup>220</sup> Yet, this is very much related to the “insecure” atmosphere of the 1990s. See Jongerden, 2010.

<sup>221</sup> Interview in Diyarbakır, March 2010.

<sup>222</sup> The area around DSI water-trench had been a long controversy between the governorship and the Greater municipality. Rejecting the request of the municipality for the transfer of the area and its transformation into a rain drainage zone, the Diyarbakır governorship, with the participation of the

complicates the picture. In Diyarbakır, like the rest of Turkey, properties on state owned land are under the jurisdiction of the MHA. This gives ample authority to the latter in defining not only the land prices, but also the possible trajectory of urban development. The MHA uses the land under its jurisdiction for building housing complexes, but also acts as a supplier of land and controls land prices. The MHA, an intermediary of the urban sprawl through its role as a supplier, also intervenes into the “historical and cultural sites”. The regeneration of the Suriçi and its transformation into a cultural, thus touristic complex is one of the major interventions.

### ***9.3 Challenging the Past: Who owns the City Walls of Diyarbakir?***

In 2004, Diyarbakır municipality published a small book to expose and share the cultural and historical heritage of Diyarbakır in collaboration with ÇEKÜL (The Foundation for the Promotion and Protection of the Environment and Cultural Heritage), one of the most important actors regarding the preservation of historical and cultural heritage in Turkey. In this book, Diyarbakır is defined as the “amalgam of stones and dreams”, which hides the “grand steps of not only Anatolia but also humanity”. Similarly, for many people living in Diyarbakır, to reflect on the city and its “cultural significance” is to conjure up two images of the materiality of Diyarbakır’s “spirit”: the stones of Diyarbakır, and the impressive city walls. The black stones of Diyarbakır (most famously the basalt) constitute to be strong historical referents. Epitomized in the saying, which is frequently mentioned by the inhabitants of the city: “the stones of Diyarbakır are black, so as its destiny”. The city walls of Diyarbakır dating back to the 3<sup>rd</sup> century BC are claimed to be “the second longest walls after the great walls of China” by the locals. They are not only a source of pride but also an important signifier of Diyarbakır’s rich local history.

The peculiarity of the city walls, as the historians argue, stems from the various inscriptions and figures, which define the dizzying succession of overlords in the city’s history. The inscriptions imply that fortification, construction and maintenance of the walls had been continuously on top of the agenda of the sovereigns (Parla,

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Ankara and Istanbul Greater municipalities, built a park along the water-trench, known as Kayapınar Green Belt. The Green Belt has now turned into an unused area due to neglect. The area around Talaytepe and DSI water-trench are also controversial topics between the municipality and central government. Through subsidy laws, these areas are offered to business people for production sites. However, these attempts were suspended by city councils and municipalities as these regions are defined as green areas in the master plan.

2005). They served as the embodiment of the power and grandiosity of the sovereigns that ruled the city. However, the early years of the Republic witnessed one of the most impressive spatial interventions to the city's urban configuration. Following the foundation of the Republic, in 1930 the ancient walls between the northern and southern gates were demolished due to the decision of the governor of Diyarbakir. Such physical destruction was justified on grounds that the city could not "breathe" during hot summer months (Beysanoğlu 1035-1037; Diken 87-94). The destruction was called off in 1932 when Albert Louis Gabriel, a foreign archeologist, pressed for the suspension through his contacts with central authorities. In 1942, the walls were put under preservation for their historical and cultural significance (Parla, 2005).

Such physical destruction was accompanied by the continual neglect regarding the historical materiality of the city, specifically the traces of the non-Muslim populations.<sup>223</sup> Armenian churches, cemeteries, along with traditional houses within the city were left to fall into ruin. The "strategies of neglect and destruction" were usually accompanied with the architectural transformation of the urban spaces. As the civil architecture of the old cities in Southeast Anatolia was destroyed, former residential areas were turned into "central business districts" (Oktem 565-7), or as in the case of Diyarbakir, they gradually have become the slum areas inhabiting the poor migrants from rural areas. Already in the 1930s, the city started to swell up outside the city walls, with new districts of modern apartments, buildings of local state offices, boulevards and squares. During 1950s and 1960s, local elite families started to move into apartment blocks in modern parts of Diyarbakir leaving their two-storey traditional houses, which did not fit into modern life. Today, the historical city is presently inhabited by migrants, mostly internally displaced persons<sup>224</sup> and constitutes to be one of the poorest districts of Diyarbakir. Urban myths regarding the peasant migrants living 15-20 people in one room, with their cows and without sanitary facilities are frequently mentioned in the "urbanized" parts of the new city.

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<sup>223</sup> In the early 1900s, Suriçi was a multi-ethnic and multi-religious town with Armenian, Kurdish, and Turkmenico communities. Following the pogroms targeting the Armenian populations and the deportation process Diyarbakir became a Muslim city: all differences were eliminated during the WWI and the Independence War (1923) except the ethnic other – Kurds.

<sup>224</sup> Since the early 1990s, around one million people were forced to leave their villages due to "unsecure conditions" in the Southeast Anatolia. Although the government adopted a law on compensation to encourage the "returns to villages" in 2000s, very few people could return.

In effect, the physical destruction of walls in the 1930s and “the strategies of neglect” should be contextualized in relation to the desire of the young Republic for a homogenous national “homeland”. Early years of the Republic and the single party period until mid 1940s marked strong tendencies towards the creation of a homogenous nation-state united around a formal nationalism, which defined the nation on the basis of Turkishness and denied the existence of ethnic differences within Anatolia. The logic of the nationalist project demanded that traces of the non-Turkish, and non-Muslim (Armenian, Syriac Orthodox and Jewish) heritage should become invisible (Dundar cited in Oktem). In this respect, the Kurdish rebellion – rebellion of Sheik Said – in 1925 signaled the beginning of a turbulent period for the inhabitants of the city as well as the region until the late 1940s.<sup>225</sup> These turbulent times, which also included forced migration and settlement policies, systematic change of place names and local administrative structures aiming to control and integrate the region to the Republican project of a homogenous nation, were followed by a stagnant period characterized by out-migration and economic decline.

Despite its financial straits, the municipality of Diyarbakir has put too much effort to furnish Diyarbakir with a “modern” and “metropolitan” landscape. Construction of a “modern” bus station, amelioration of public transport and urban sewer system, and the construction of a huge Social Service Complex are among the most important urban projects. However, the biggest urban project of the new mayor was to finalize the restoration of city walls in 2000. Following the restoration process initiated by ÇEKÜL in mid-1990s, the municipality started a “cleansing operation”, which consisted of demolishing 500 small establishments, tea gardens and restaurants located around the ancient walls and their replacement with parks and benches. This was a necessary step to be taken in order to “bare” and “highlight” the historical significance and the beauty of the ancient walls. The project took a new direction when ancient walls of Diyarbakir became part of the city’s touristic campaign. Now, the walls are presented as “the second longest wall after the Great Wall of China” in

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<sup>225</sup> The Kurdish rebellion broke out in a village of Diyarbakir in February 1925 and quickly spread over a large geography in the region. Turkish state immediately declared state of emergency in this area and passed the law of *Takrir-i Sukun* (The Maintenance of Order Law). The Kurdish rebellion was suppressed in March; Said and 47 of his supporters were executed in Diyarbakir. Turkish state replaced the emergency rule with 1<sup>st</sup> General Inspectorship in 1927. General inspectorships, which prevailed until 1947, served as important control mechanisms for the central government (for a detailed discussion see, Koçak).

maps, tourist brochures and website. For Gambetti (2009), clearing the squatters and having the walls illuminated at night served to reconstruct the local pride, which was undercover for many years. She continues to observe:

The consecration of the ancient walls thus has the double effect of constructing local pride as well as of transcending it. The confines of the local and the particular (the Kurdish problem in Turkey) are transcended in such a way as to articulate Kurdishness to world cultural heritage (the universal or the global). From “identity as a problem” to “identity as an affirmation”, Kurdishness also de-articulates itself from the big “Other”, the Turkish state. (12)

The city walls, which used to accommodate the “drug addicts”, “alcoholics” or “dangerous people” in the “dark times” of the city, are now turned into a monument and create a certain feeling of belonging. With the words of one of my informants, a respected businessman of the city: “they stand as the witnesses of the city’s glorious history and unfortunate fate”. Here, unfortunate fate refers to the hard times during the Republican years, more specifically the decline of the city in economic and cultural terms. On the other hand, glorious history alludes to the multi-ethnic and multi-religious history of Diyarbakir. Along with the emphasis on the “non-Turkish past” of the city, a wave of nostalgia for the “old times” is also clearly visible. A 52 years old woman claims that the city walls now guard the people who were rendered homeless by the state and that the migrants cannot be held responsible for the “shanty houses” and the “chaos” in the historical city. However, she adds

In my childhood, Suriçi harboured urban elites, respected families, poets, and scholars. Today, it has become a “huge village”. Diyarbakir, one of the oldest cities in the Anatolia, is no more an urbanized city centre.<sup>226</sup>

Suriçi district – inside the city walls – constitutes almost eleven percent of the whole population of Diyarbakir and carries the negative connotation of the “rural life in the city”, “shanty-towns”, and “dangerous districts where strangers should avoid walking alone”. The inhabitants of Suriçi, mostly rural Kurdish migrants who were forced to leave their villages by the Turkish authorities during the skirmishes in the 1990s become “destitute consumers” in the urban economy (Yukseker, 2006) with no prospects and hopes for the future. A recent study on the inhabitants of Suriçi district validates the poverty reigning in the district. 33 percent of all houses do not have a

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<sup>226</sup> Interview in Diyarbakir, March 2007.

regular income while in 54 percent of all houses, only one person works on a paid job in order to support crowded families (43 percent of houses accommodate 4-6 people when 33 percent accommodates more than 7 people) (Sur Belediyesi Anketi).

The restoration of the historical city and its regeneration as a cultural and touristic centre has always been a major item in the agenda of the local state. Due to the tensions between the municipality and central government, this project remained in limbo for a long time. However, with the inclusion of the MHA in 2008, the parties reached an agreement. The first stage of the project included the destruction of 220 houses in Alipaşa-Lalebey and Cevatpaşa neighborhoods, which are inhabited mostly by rural migrants. Their houses in the historical city covered the first installment of the “modern” apartments in the Public Complex. The officials expect the migrants to pay the rest in monthly installments. 200 families moved to the Public Housing Complex in Çölgüzeli, a district quite far away from the city centre. With the completion of the project it is expected that 596 houses will be demolished and replaced by parks and houses rebuilt in line with the historical architectural design. The local political elites claim that the project will provide significant benefits to Diyarbakır’s tourism and create employment opportunities:

After the completion of the restoration project, we believe that historical places within Suriçi will become a tourist attraction. Within 5 years, there will be no shanty houses (*gecekondu*) within the ancient walls. With this project, Suriçi will be an open-air museum.<sup>227</sup>

Urban renewal, which became drastically visible in metropolitan areas as well as many medium sized cities in Anatolia in the last ten years, deserves particular attention in the case of Diyarbakır. Given the unemployment rate in the city and the stagnant local economy, it is clear that the neoliberal turn will take its toll mostly on the migrants and the urban poor in the city. Many houses in the Cevatpaşa neighbourhood accommodate crowded families, and the apartments offered in the Public Housing Complexes cannot provide these families with the necessary living conditions and livelihood. As already claimed by some NGOs working in close contact with the municipality, the transformation within the Suriçi should not result in an evacuation of the migrants from their houses in the historical city – especially IDPs

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<sup>227</sup> Haberdıyarkır:  
[http://www.haberdıyarkır.com/news\\_detail.php?id=13675&uniq\\_id=1253952298](http://www.haberdıyarkır.com/news_detail.php?id=13675&uniq_id=1253952298), 2008.



who are detached from their villages and have no prospects for employment. Rather, they argue, a more integrated urban plan should be put into operation by the municipality.<sup>228</sup> For the migrants living in Cevatpaşa neighbourhood where the evacuations already started, the evacuation process was, and still is quite chaotic:

It was first officials from the MHA who came to the neighbourhood and mentioned the evacuations. They wanted us to sign the contracts and sell our houses to them. After a short while, people from the municipality came and told us not to sign. Then, last year, the same people wanted us to sign the documents, saying that this is our best option... We do not know to whom we can address our questions and complaints. The Municipality sends us to MHA officials, and they send us back to the municipality. Nobody wants to take responsibility.<sup>229</sup>

On the other hand, the municipality officials emphasize the fact that the renovation process is inevitable, given the ample authority and interventions of the MHA. As one of the officials claims

It was in 2008 when we heard that the MHA authorities started visiting houses in the Suriçi. We said that this transformation is inevitable and we should take part in this to protect the people living in the neighbourhood... After long debates with the MHA, we reached an agreement.<sup>230</sup>

As being a controversial topic among others like the zoning of *Kırklar Dağı*<sup>231</sup>, the renovation of the Suriçi is significant in discussing how definitions of local culture are very much bound by the circuits of capital at the global, national and local levels. It is also important in discussing the outcomes of the urban meaning constructed around economic terms such as prosperity, efficiency, attractiveness or cultural terms such as trademark city of art, or museum city, on socioeconomically vulnerable populations in Diyarbakır.

#### **9.4 Recapitulation**

In the last ten years, numerous studies have dealt with the Kurdish place-making processes with an emphasis on the different ways Kurdish populations claim/remake

<sup>228</sup> “Accommodating the Displaced”, Unpublished Report submitted to Diyarbakır Municipality by Berlage Institute, Diyarbakır 2010.

<sup>229</sup> Interview in Diyarbakır, June 2010.

<sup>230</sup> Interview in Diyarbakır, June 2010.

<sup>231</sup> *Kırklar Dağı* is a mountain that carries a cultural and religious importance for the locals. In 2010, the municipality gave the green light for the zoning of this area. The project, which has already started, envisages the building of high apartment blocks. Along with the Suriçi, *Kırklar Dağı* project is one of the most discussed topics in the city.

the city through resisting, subverting, altering the existing forms of domination and assimilation. The significance of such studies and their power in provoking alternative uses and ways of producing space against governments, established and fixed understandings or homogenizing discourses notwithstanding, in this article, I rather underline the fact that the production of social space, in its broad and “exploded”<sup>232</sup> sense, is embedded in the logic of capitalist restructuring, a broader transformation that took place at the global and national level, including its attendant policy implications and the various strategies and responses of the local actors to survive in the world of heightened international competition. This inevitably emphasizes the necessity and importance of a critical examination of the material conditions of the processes of making and remaking urban meaning. In this sense, the Kurdish place-making processes can be seen as not only moments of rupture and resistance, but also the continuation and even fortification of these broader transformations.

After the 2000s, the urban space of Diyarbakır became an arena of conflicting and challenging strategies by the local actors to bypass and transform the destructive and assimilatory spatial strategies of the state, through an emphasis on not only Kurdishness, but also the pre-Turkish history of the city. By highlighting the monuments and traces of the multi-cultural history in the urban space, the municipality has opened a new path ahead of its inhabitants to dream of a better future, where ethnic differences are tolerated and cherished. This revival should also be contextualized within the broader spatial transformation and rescaling processes within Turkey. Reforms for the downscaling of the state accompanied by the cultural turn in supranational institutions like the EU and UNESCO provided the Kurdish municipality with the local spatial strategies to challenge the national fantasy of a homogeneous homeland. Yet, the neoliberal turn also runs the risk of delineating the limits of this challenge.

As the analysis of the city of Diyarbakır demonstrates, through its spatial mechanisms and strategies, the state still plays an important role in the localization of neoliberalism. State-led interventions into urban space and land/ housing markets not only facilitates the marketing of urban land to capital, but also redefines the boundaries of the “culture”, the “sacred” and the “heritage”, under neoliberal

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<sup>232</sup> Henri Lefebvre, *op. cit.*

demands. Through the reinvention of the TOKI as a response to the 2001 economic crisis, the Turkish state has once again become a major player in urban spaces and a facilitator of neoliberal structuring. Once culture becomes the sole or the most important asset of localities in interlocal competition, its meaning becomes a nexus of not only identifications and political mobilizations, but also class-based interests and capital accumulation strategies.

The analysis of Diyarbakır also points to competing urban meanings and perceptions of urban space, which are intermingled with the material conditions of urban economies. The construction boom in the 2000s that opened the land market and housing sector to speculation and lucrative partners definitely marks a rapid transformation of the urban space in the city. This spatial transformation and its concurrent economic decisions are translated into an urban image which revolves around the concepts of “development”, “prosperity” or “order”. All these point to an urgent need to evaluate the spatial transformation in southeast Turkey, with reference to neoliberal restructuring processes and the material modalities of the production of space – that are strictly related to discursive and symbolic modalities of producing space.

## 10. Conclusion

The outcomes of neoliberal restructuring are not monolithic; they vary along geographies, time periods, local, national or regional economic structures. Thus, it is often claimed that neoliberalism exists in historically and geographically contingent forms (Peck and Tickell, 2002: 36). The localization of neoliberal policies take different paths, empower different groups and emerge out of various reconfigurations of interests in urban economies. The downscaling of the state may well serve to the empowerment of local state officials according them with necessary resources to challenge the central governments as well as the local economic elites in urban economies whereas it may also lead to their weakening against the pressures from local business groups and their submission to the latter. In this sense, the forms and the paths of “scale politics of locality formation” are highly dependent on the wider political fields and the broader political context within which local actors act and the discourses to which they speak.

Through the cases of Diyarbakir and Gaziantep, Part 1 dealt with three methodological conundrums in studying neoliberalism: its temporality (i.e. whether it constitutes a rupture or?); its relation to spatiality (i.e. the conception and restructuring of the space); and its embeddedness in institutional frames. Three chapters under Part 1 basically argued that the neoliberal experience in Turkey should be taken as an *institutionally and historically embedded process*, which is strictly related to the political formations – Kurdish movement and political Islam in Turkey, – and situated within the symbolic political universes of these political movements.

The “roll-back” (Peck and Tickell, 2002) in the early 1980s brought a revival of production and exports in the manufacturing sector, specifically in cities, which entered the “deregulation” period with “locational” and “infrastructural” advantages. The emergence of export-led growth zones such as the Anatolian Tigers was an expected result of the replacement of the telos of industrialization of the ISI era with the telos of exportation after the SAPs. The subsidies designed to promote export-oriented activities combined with the infrastructural development of the industry-led policies of the ISI era and various local assets of these cities such as pre-accumulated capital and non-unionised flexible labor regimes were the reasons behind such an economic boom. The ideal of national development was dismantled in practice but it

perpetuated in state policies: PAD was co-opted into the new subsidy program and a huge developmental project, GAP, was given start in the 1980s.

Yet the introduction of municipality reforms and Free Zones in the 1980s can be taken as the initial steps of Turkish state's experimentation in regard to a 'glocal and fragmented national territory.' Municipality reforms radically altered the existing dynamics between localities and the central government and reduced the centrality of the latter. Free Zones were the first spatial experiment of the Turkish state: the creation of exceptionally encoded territorialities that were constituted on the basis of the replacement of national administrative and legal arrangements by a wide array of state special subsidies for industrial and commercial activities. These elementary steps gained a further impetus with the JDP government in 2002 elections. First major step was the reinvention of housing sector in Turkey and the restructuring of MHA as a multiscalar agent. Gradually, the MHA became the most powerful real estate developer in the country, the sole agency to regulate the zoning and sale of almost all state-owned urban land. The last steps were the restructuring of the subsidy program in 2012, which used to be one of the main instruments of the state in channeling the private sector's investments and the recalibration of Free Zones. The new graduated subsidy program dismantled the PAD and the ideal of the national development even at the policy level. With this new subsidy program and the new generation free zones, which are still under revision and expected to be in effect in 2013, a new fragmented economy, which is defined on the basis of individual assessment of each locality according to its economic potentials, is now being led by the state. This new economic topography is definitely by a "zero-sum-game" between localities and an intensifying interlocal competition.

The multifaceted temporality and spatiality of the ISI era became a breeding ground for the emergence of two counter movements in Turkey. The tension between big capitalists based in metropolitan cities and small-scale industrialists in Anatolian cities provided the background of the rise of political Islam and its "moderation" and "rationalization" in close contact with the increasing neoliberalization of Turkish economy. On the other hand, the "two nations hegemony" of the ISI, which explicitly excluded the Kurds given the widening economic disparities between the western parts and eastern parts of the country in the 1970s created a solid basis for the Kurdish movement to evolve itself into a "counter-hegemonic" project encompassing a wide

range of signifiers varying from Kurdishness as a distinct ethnic identity to resistance against imperialism and colonialism and fight against the dispossession that they created, which could appeal to masses in the eastern provinces. The explicit exclusion of the Kurds during the ISI was followed by the state violence in its most atrocious forms in the southeast Anatolia after the military coup in 1980 and during the Emergency Rule in the 1990s. The rollback neoliberalism combined with the Emergency Rule in the 1990s eternally severed a great number of Kurds from the Turkish state and the rest of the country by sealing the faith of the further developmentalist projects such as GAP.

The rescaling processes and the shifts in the spatio-temporality of the nation-states inevitably bring new political strategies and forms of mobilization to circumvent and challenge the present entrenched structure of scale. Local movements reach for the national, and then the global in pursuit of their aims and hopes to turn the balance of power to their advantage. The multifaceted ISI strategy, which was based on strict forms of geographical and class-based (interclass and intra-class) exclusions created various forms of mobilizations in the Islamist and Kurdish movement. Yet, the strategies that these movements employ are strictly related to the forms of capital accumulation and the institutional frames of the capitalist restructuring. The heterogeneous field of the Islamist movement, which included a wide positioning of its actors in terms of class affiliations, the degree of their oppositional stances towards the state and the forms of mobilizations they employ was overwhelmed by one fraction in the movement: the economic front, which emerged out of the tension between big capitalists based in metropolitan cities and small-scale industrialists in Anatolian cities in the 1970s. Organized along MUSIAD, in a close interaction with many other Islamic networks and communities, and in an alliance with the new intellectuals of the movement, this fraction became the pillar of the neoliberal Turkey and the carrier of the pro-Islamic Justice and Development Party to the power in 2002.

In the 1960s, Kurdish dissent, which was shattered and almost eradicated through massacres and various assimilatory policies by the Turkish state during the single party era, was reoriented around Marxist, socialist and left-wing understandings of economic redistribution, class struggle and anti-imperialism. Out of the heterogeneous field of resistance in the late 1970s, PKK emerged as the leader and the most

influential actor of the Kurdish movement in Turkey throughout the years. 1990s saw the emergence of the first legal pro-Kurdish party, HEP. Combined with support of the Kurdish Diaspora in Europe, politicians from the pro-Kurdish movements managed to jump from a local level of policy making in southeastern Turkey to that of European scale. “Thickening” (Watts, 2010) of the elite structure of the Kurdish movement produced a set of actors that serve as interlocutors between the movement and the representatives of the Turkish and European states.

In both of these bottom-up mobilizations, EU emerged as an important interlocutor. JDP made use of the accession negotiations between Turkey and EU and EU reforms for dismantling the bureaucratic and military arms of the Kemalist ideology, which in return resulted in the reinstatement of its own hegemony whereas Kurdish movement made recourse to the EU states in an attempt to “democratize” the Turkish republic. Both movements mobilized through local state institutions, by creating dual zones or “challenging governmentalities” in order to create their own subjects. And both movements experimented with the capitalist restructuring in a highly intensifying interlocal competition, testing their political projects against their political claims and ideologies.

In both cities, the elites of the city – be it political or economic – put considerable effort in creating a city image along with a new form of city dweller, or to put it differently citizen. In the case of Gaziantep, the articulation to neoliberal policies was mainly led through the business class by first establishing a “collective mind”, a local rule regime, which is defined on the sole aim of increasing the economic efficiency of the city. This ‘collective mind’ is exclusionary in the sense that it was confined to the interests of local business circles. The *efficient* development of Gaziantep through industrialization and manufacturing still takes its toll on the poor segments of the urban population who work under precarious conditions and quite flexible union regimes. During the 1990s, through creating links with the TOBB, an umbrella organization at the national level, the businessmen of Gaziantep not only strategically positioned their city in institutional networks (such the foundation of EU Information Offices) but also constructed an image of the city as a safe haven for investments on the shore of a chaotic and unsafe geography.

In Diyarbakır, the downscaling of the state has accorded the municipality with the necessary legal and economic resources to employ a competing governmentality to

that of the Turkish state through a symbolic politics based Kurdish identity. Fronted by the political and intellectual elites of the city, this symbolic politics evolved into a wider political and economic project: becoming a brand city of art and culture in the Middle East. The networks of Kurdish Diaspora in Europe as well as the creation of interregional intellectual and cultural networks helped the municipality to attract attention at the international and national level. Given the weakness of the urban entrepreneurial groups and the suspicious attitude of both the Kurdish movement and the Turkish state towards them (Chapter 6), neither local business organizations at the local level nor regional businessmen confederations could secure a dominant position in the urban economy and a dependable relation with the central governments. Highlighting the economic underdevelopment of their city by employing a developmentalist discourse, these institutions reproduced the basic premises of a state-led industrialism, which clearly found no basis in the post-industrial discourse of the 1990s and 2000s.

In both cities, we observe the emergence of a local identity – as in the cases of *Diyarbakırlı* or *Gaziantepi*, – which is also partly defined through making investments in the city. In the narratives of the businessmen, making local investments is a form of self-sacrifice, which situates them not only within the discourse of “serving the Nation” but also within the local discourses on nationalism. In the case of Gaziantep, the local belongings are mingled with a mimicry of Turkishness whereas in the case of Diyarbakir it is very much related to the discourse of municipality and Kurdish movement that takes its cue from an economy of sacrifice, martyrdom and costs of the war.

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The dismantlement of the modernist planning did not dissolve the hierarchy of localities assessed on the basis of a repertoire of highly modernist tools. High modernism of the ISI era has found a new home in the ideology of free market, which rests on a confident ignorance of the immensely complex working of localities. This confident ignorance is deeply rooted in state’s discourse and perception of localities, which erases the local dynamics shaping the trajectories of cities under neoliberal demands and brings localities together under symbolically loaded criterion such as investment or availability for investment. This perception of localities and their



assessments through the capacity and ability in attracting foreign investments emerges out of in the politico-economic space of the post-1980 Turkey (Chapter 2). Attracting investment or competitiveness as a measure of the qualification of localities as authoritative, powerful, passive or insecure clearly shapes their future and redefines the struggles within the local politics. This disciplinary effect becomes extremely visible when the discourses employed by the Turkish state as well as the local state institutions are examined. Yet the economic structure of not only the region but also the Turkish Republic has evolved out of insecure conditions prepared by violence, massacres, lootings, and mobs in front of a background of wars. Part II dealt with the history of southeast Anatolia in particular. Starting with the Armenian genocide in 1915, chapters under Part II discussed how the redistributive laws regarding the Armenian properties were combined with population and settlement policies (population exchanges and deportations) directed to different ethnic and religious communities in Turkey, which also drastically transformed the peasantry and workforce in the country. Two complementary logics of redistribution operated at the national scale, the accumulation through the dispossession of Christian populations and the gradual introduction of populations into the market. Whereas the Christian populations were at the most periphery, Kurds and radical Muslim groups (see chapter 2) were also excluded from power and were gradually and conditionally introduced to the market until the 1970s. Kemalism as a Western, secular and nationalist ideology (Gocek, 1996: 141) attempted to define any strong affiliation of ethnic and/or religious ties as a threat to its existence. The knowledge that law can be suspended/infringed/produced against or in favor of groups and geographies within the national market shapes the state-bourgeoisie relations in Turkey in general and in southeast Turkey in particular. This knowledge brings the state as a site of struggle for different segments of the population, including the capitalist class. In this sense, the permeability of the law defies the idea of a strong state as the ultimate sovereign over classes and society; it rather imposes the permeability of the state sovereignty.

The epitome of this permeability was the post-1980 period when 'looting' came back in the public discourse one more time, but this time it was mainly the looting of the state. The post-1980 era saw the reinforcement and expansion of the executive branch through law-decrees and a re-institutionalization of the state as well as the legal quarantining of the southeast region under the Emergency Rule. During the 1980s,

KHKs transformed from derogatory and exceptional instruments for normative production into ordinary sources for the production of law, and they helped to create opportunities, for a minority, who enjoy political accommodations and conditions not granted to the rest of the population. In this sense, they created not only exceptions to the legal system itself but also exceptions for certain segments of the population. Export regime, privatization and banking system soon became corrupted mechanisms of capital accumulation.

The loose conception of the rule of law and the weak commitment to democracy during the economic reforms took devastating forms in the 1990s, short after the establishment of OHAL in 1987. OHAL certainly worked as a symbolic border separating order from disorder, loyal from rebel, Turkish from Kurdish, development from underdevelopment in the popular imaginary. It also worked as a symbolic order separating the ordinary from the extraordinary in the legal system characterized by the infringement of human rights and a total freeze on the Constitution and constitutional rights. OHAL was also characterized by the strong political polarization led by the state in the countryside through village guardship and in the cities. As defined by a businessman of Diyarbakir, the civil war constituted 'an economic war' to the people inhabiting the southeast cities. The paranoia that every economic activity is shadowed by PKK supporters resulted in a strong political polarization within the urban economy. Detentions, tortures, executions radically transformed the formation of the capitalist classes in OHAL provinces.

As the cases of Diyarbakir and Gaziantep indicate these policies definitely put its stain on the state-bourgeoisie relations. Characterized by high flow of migrants due to economic and political regions, the southeast region under Emergency Rule also witnessed the rise of a new capitalist class in Diyarbakir, mainly coming from migrant families who migrated to the city center during the 1970s. This rapid upward mobility stemmed from the economic lacunae created due to the conditions of the war. The bourgeois class in today's Diyarbakir set up their businesses after the military coup, under the Emergency Rule and in the insecure conditions of the civil war. On the other hand, neighboring cities with pro-business environment such as Gaziantep served as a terminus for the capitalist class of the cities under the Emergency Rule. Gaziantep's economy consisting of traditional families with the strong identity of

Gaziantepi absorbed the capital flow from eastern cities, turning it into an advantage, specifically during the restructuration of the Iraqi market after the second Iraq war.

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As I have continuously tried to show throughout Part 1 and Part 2, neoliberal restructuring along with the policy packages and institutional frames radically alter the forms of belonging as they impose the reinforcement of locally bounded identities as well as perceptions of the space. Investment as a disciplinary concept and an ideal defines the boundaries of the city and the people belonging to the city, thus it helps to reproduce a locally bounded feeling of belonging. As already discussed and implied in various chapters, this feeling of belonging is incarcerated in a discourse on sacrifice, which is employed in contextually bounded ways by the local actors. In Part 3, I showed how this locally bounded identity is tied to the production of material culture in urban economies.

Anthropologists, mainly dealing with material culture and materiality, have sought to prove how human relations and cultural forms are inscribed in objects and material life. As Miller elaborates on materiality: “we cannot know who we are/or become what we are, except by looking in a material mirror, which is the historical world created by those who lived before us”. The world we live in “confronts us as material culture and continues to evolve through us” (Miller, 2005). Closely aligned with the way many scholars decode the objectification processes and the materiality in its broad sense, human geographers and social scientists have tried to emphasize the links and relations between place-making processes and identifications, class alliances, nation-state building processes and/or economic restructuring. The “creative space” (Lefebvre, 1991) or “active space” (Yiftachel 2002) is taken to be an *oeuvre*, the setting of different political and economic struggles. In this part, I discussed how materiality, in general, is related to the dynamics of “place-making” processes, or to put differently, the interaction between the global, national and local actors and processes. Theoretically, I intended to raise questions regarding the relations between time, space and materiality; nationalism and place making processes; and the production of space in neoliberalism and its articulation with culture.

To this end, Chapter 8 analyzed how through brands and the process of branding the businessmen of Antep attempt to differentiate their city from its competitors in the intensifying interlocal competition whereas Chapter 9 dealt with the re/discovery of the cultural heritage of Diyarbakir by the local municipality, NGOs and the local businessmen. In Chapter 8, I discuss how the Antep Resistance is employed by the businessmen to create an authentic *Antepli* and differentiate Gaziantep from its competitors. The rediscovery of Antep resistance through a ‘contentious characteristic inherited from the resistance’ and a ‘culture inherited from a genetic heritage, which validates itself in the patents and brands,’ serves to the quest for authenticity in the neoliberal era in which cultural identity and differences are defined in reference to both genetics and performance. While the disposition to innovation that is proved through the increasing number of patents marked to the genetics in the doubling of cultural identity, the proliferation of the discourse on the ‘conspicuous consumption’ and the performance of modesty in terms of consumption habits served to differentiate the authentic *Antepli* from the new-comers to the city. Creation of consumption spaces as well as the renovation projects targeting the preservation of the local culture of the city triggered public-private enterprises between the municipality CEKUL and MHA.

While the economic boom imposed a narrowly defined local culture to Gaziantep eradicated from its Armenian and Kurdish elements and congested into the authentic *Antepli*, Diyarbakir’s cultural renaissance under the Kurdish municipality changed its course after the 2010. In the last ten years, numerous studies have dealt with the Kurdish place-making processes with an emphasis on the different ways Kurdish populations claim/remake the city through resisting, subverting, altering the existing forms of domination and assimilation. The significance of such studies and their power in provoking alternative uses and ways of producing space against governments, established and fixed understandings or homogenizing discourses notwithstanding, in this article, I rather underline the fact that the production of social space, in its broad and “exploded”<sup>233</sup> sense, is embedded in the logic of capitalist restructuring, a broader transformation that took place at the global and national level, including its attendant policy implications and the various strategies and responses of the local actors to survive in the world of heightened international competition. This

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<sup>233</sup> Henri Lefebvre, op. cit.

inevitably emphasizes the necessity and importance of a critical examination of the material conditions of the processes of making and remaking urban meaning. In this sense, the Kurdish place-making processes can be seen as not only moments of rupture and resistance, but also the continuation and even fortification of these broader transformations.

As my ethnographic material suggests, ‘making Diyarbakir a safe place for investments’ was always on top of the agenda of economic agents in the city. In Chapter 9, I sought to demonstrate how through its spatial mechanisms and strategies, the state still plays an important role in the localization of neoliberalism. State-led interventions into urban space and land/ housing markets not only facilitates the marketing of urban land to capital, but also redefines the boundaries of the “culture”, the “sacred” and the “heritage”, under neoliberal demands. Through the reinvention of the MHA as a response to the 2001 economic crisis, the Turkish state has once again become a major player in urban spaces and a facilitator of neoliberal structuring. Once culture becomes the sole or the most important asset of localities in interlocal competition, its meaning becomes a nexus of not only identifications and political mobilizations, but also class-based interests and capital accumulation strategies.

## APPENDIX

1.1.

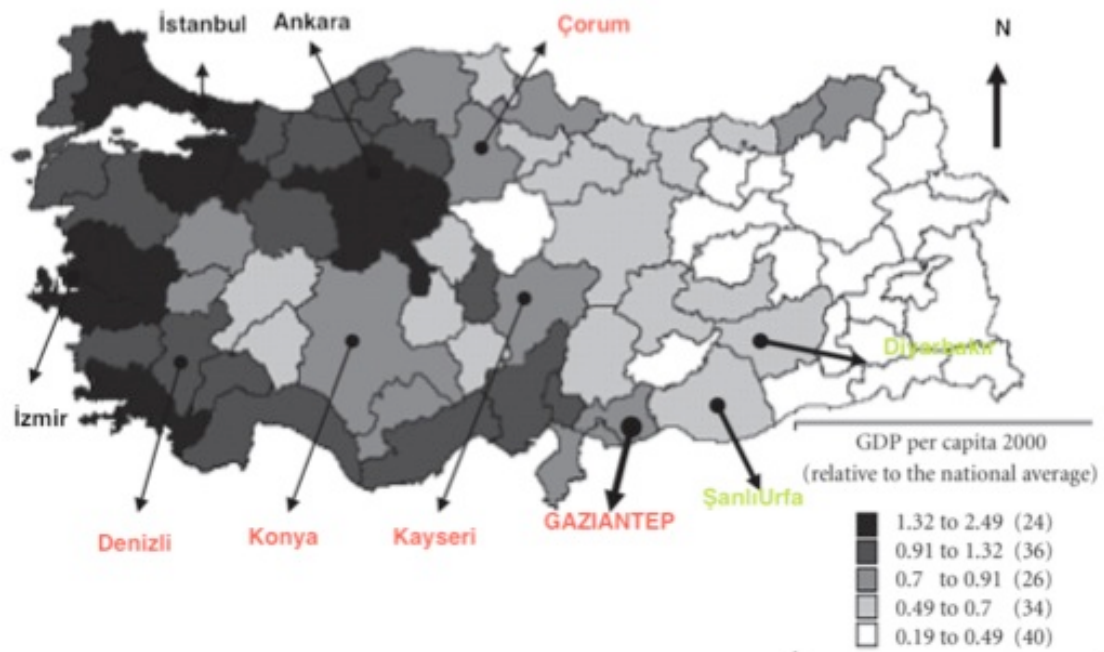
Table 1- Regional Distributions of Planned Public Investments for the Four Five-Year-Development-Plans (%)

	<b>Manufacturing</b>		<b>Total</b>	
	40 provinces within the PAD	27 provinces	40 provinces within the PAD	27 provinces
1 <sup>st</sup> FYDP	18.0	82.0	34.7	65.3
2 <sup>nd</sup> FYDP	12.1	87.9	28.6	71.4
3 <sup>rd</sup> FYDP	24.1	75.9	33.0	67.0
4 <sup>th</sup> FYDP	21.9	78.1	33.2	66.8

SOURCE: Barkey, 1990.

1.2

Figure 1. Newly Emerging Industrial Sites (Anatolian Tigers) and the Uneven Development in Turkey



Source: Bayırbağ, 2010.

### **Southeastern Anatolia Project (GAP)**

Southeastern Anatolia Project (GAP) is the largest project ever taken by Turkey both in its implementation area and financial terms. As a “high modernizing project” of massive economic subsidies and social development programs led by state institutions, GAP aims for a massive “integrated” economic and social development of the Southeast Anatolia region, which has connoted ‘underdevelopment’ throughout the history of the Republic. Launched a few years before the dissolution of the ISI model, the efficiency of GAP has gradually become one of the most controversial topics of Turkey in the last two decades due to persisting regional disparities and poverty in the region. As of the end of 2001, the total amount spent has reached to 10 quadrillion, 831 trillion and 855 billion TL, which points out to a cash realization ratio of 48.1% (see [www.gap.org.tr](http://www.gap.org.tr), for the discussions of GAP in relation to international politics and the conflicts between PKK and Turkish state see, Çarkoğlu and Eder, 2001, 2005).

The project originally envisaged the construction of a number of interrelated dams and hydroelectric plants on the Euphrates River, which would support nation-wide energy consumption and double irrigable farmland in Turkey. The history of the project dates back to the Euphrates Planning Administration established in Diyarbakır in 1961. The technical principles of the utilization of the lower Euphrates were clarified in 1977 and State Planning Organization united all projects under the name of “Southeastern Anatolia Project” in 1986. In the course of years, the project has evolved into a macro scope development program including large investments in a wide array of sectors including energy and transport, agriculture, rural and urban infrastructure. GAP, combining 13 major projects of giant irrigation and hydropower generation, covers 75,358 square kilometers that represent 9.7 % of Turkey’s total area and holds a population of 6.1 million, which constitute 9.8 % of the total population (see, [www.gap.org.tr](http://www.gap.org.tr)).

Since the early of 1990s, the focus of GAP has shifted to a growth-based “integrated planning approach” and its goals have been redefined in terms of “sustainable development” with the collaboration of UNDP. This marks to a gradual shift from the state-led regulatory frame to a market-led one, which has been implemented to a great extent by state-led social development policies and its attendant community centers, youth centers and state led entrepreneurial institutions (GAP-Gidems) which worked in close coordination with NGOs, private capital and international organizations such as UNDP and EU (for a discussion see Özok-Özdoğan, 2005).

1.4

Figure 2. Map of Free Zones in Turkey



source: <http://www.ekonomi.gov.tr/>



### **Islamic Political Parties in Turkey and National Outlook Ideology**

National Outlook movement (Milli Gorus Hareketi) dates back to the late 1960 and was institutionalized under first MNP, then other political parties MSP, RP, FP and SP. According to national outlook ideology western modernity is the source of Turkey's economic problems, military dependence and declining national sovereignty. Milli Gorus is based on a stark contradiction between Western Civilization – which is seen as batıl (false), thus materialist, oppressive and colonialist – and Islamic civilization that is hak righteousness. Highly critical of EU, NATO and Israel, the movement emphasizes the universal character of Islam combined with Turkish nationalism.

#### *Milli Nizam Partisi (MNP – National Order Party)*

Founded by Necmettin Erbakan, 28 January 1970 – closed down in 1971.

Supported by Mehmet Zahit Kotku, Iskender Pasa Community of *Naksibendi* order and *Nurcu* groups

#### *Milli Selamet Partisi (MSP – National Salvation Party)*

Founded by Necmettin Erbakan, 11 October 1971 – closed down in 1981.

Formed many coalitions with CHP (1974) and then became part of the Nationalist Front coalition (with AP, MHP and CGP).

#### *Refah Partisi (RP – Welfare Party)*

Founded by Ali Türkmen, Ahmet Tekdal, and Necmettin Erbakan in 1983 – closed down in 1998.

In 1991 elections, RP formed an alliance with two nationalist parties MHP and IDP

In 1995 election, RP was the first party (21.4%), and formed a coalition with DYP.

#### *Fazilet Partisi (FP – Virtue Party)*

Founded by Recai Kutan (Erbakan was banned from politics) in 1998 – closed down in 2001

In 1999 elections, FP's votes dropped to %15,4

#### *Saadet Partisi (SP – Felicity Party)*

Founded by Recai Kutan in 2001.

In 2002 elections, having lost its popular base with the rise of JDP, SP could receive only %2 of the votes.

1.6  
BOX 3

**MUSIAD: the challenge to the Kemalist Ideology?**

Yesterday, more than 1000 people gathered for the fifteenth general assembly of MUSIAD. As the auditorium got full shortly, many members needed to follow the meeting in the Press Room. In the inauguration of the meeting, *Hafiz* Ermil Bilgiseven, who won the second place in the International Koran Competition in 2002 in Dubai, read verses from the *Ahzab* surah, as the parts he read were projected on the screen both in Turkish and Arabic. Then, Turkish national anthem was sung, and this was followed by a cinevision show, entitled 'The Rise from Culture (Uygarlik) to Civilization (Medeniyet), from nation (ulus) to people (millet)'. In the barcovision show in which nation is defined as an ambiguous and ahistorical virtual community, it is said: 'the main paradox of modern Turkish history is the regression from the people to the nation'. Plus, it is added that it is imperative to stand up and ascend to civilization from culture, and to the people from nation. Famous British singer Cat Stevens, who changed his name to Yusuf Islam after converting to Islam, was also among the participants. The delegates were provided with two books, 'The Social Ethics of Our Prophet' and 'Economy, History and Our Mentalities'. (Milliyet, 2006/04/16)

- MUSIAD, founded in 1990 in Istanbul, has 34 offices in Anatolian cities. The majority of MUSIAD companies (70%) were founded after 1980 and are mostly small and medium sized companies employing fewer than 50 workers. Only 27 of the 2,897 member companies were founded before 1950 (Yavuz, 2003: 93). Plus a total of 3000 of its more than 4000-member companies is located in Anatolian cities (Jang 2005 cited in Atasoy).
- MUSIAD has close connections with the founding cadres of JDP. Ten MUSIAD members were among the founders of the party whereas 20 MUSIAD members became JDP parliamentarians in 2002 elections. MUSIAD is also considered to be one of the main financial bases of JDP's election campaign in 2002. (Atasoy)
- MUSIAD represents 15 percent of the Turkish GNP (compared to TUSIAD's more than 40 per cent), yet the organization's main asset is in export competitiveness (Shikoh 2006 cited in Atasoy, 117). MUSIAD organizes an International Business Forum (IBF), a World Economic Forum for the Muslim World, as well as annual trade fairs within the Organization of Islamic Conference (Atasoy). IBF, initiated by Pakistan Business Forum in 1996, was organized by MUSIAD in Turkey a year later. Due to full success of the Congress in Istanbul, the headquarters were moved from Pakistan to Istanbul. The idea behind IBF, as their website puts it, is to set up a "Global Business Network among Muslim Nations" providing a forum to identify and stimulate trade and mutual investment relationships among Muslim Businessmen throughout the world (<http://www.musiadfair.com/ibf.php>).
- MUSIAD's economic manifesto derived from its booklet, *Homo Islamicus*, seeks to justify a free market system without the state's intrusive role in economy. MUSIAD also opposes heavy taxes, the distributive role of the state, and trade unions (they are taken to be un-Islamic). Its economic model is likely to politicize religious and rural solidarities to provide economic security to those that are left outside the market (Yavuz, 2003: 94).
- Membership to MUSIAD highly depends on the reputation in business circles as well as in society regarding honesty and probity. (Yavuz, 2003: 94).
- Friday meetings are organized regularly where a prominent writer or journalist is invited to discuss social, economic and political issues from an Islamic perspective. Plus, MUSIAD prepares research reports regarding Turkey's economic condition and creates economic bonds with, mostly, Muslim countries (Yavuz, 2003: 94).

**The East Meetings: “We have been fooled into thinking there are no east and west”**

The year 1967 witnessed large demonstrations and protests organized by Kurdish members of Turkish Workers’ Party (TIP) in eastern cities. The idea of organizing these demonstrations were ignited by an article published in an ultra-nationalist journal named *Otuken*. Having defined the Kurdish language as ‘a primitive language,’ the writer of the article, Nihal Atsiz, suggested that Turkey was only for the Turks: “We bereaved this land by spilling blood and exterminating Georgians, Armenians and Greeks [ . . . ] If they insist on remaining as Kurds [ . . . ] Let them [the Kurds] go away before [ . . . ] they get themselves annihilated”. (Atsiz, 1967 cited in White, 2000: 132-). Nihal Atsiz was making a reference to a speech by the president of the era, Cevdet Sunay who had said, ‘Those who are not Kurds may go away from Turkey.’ The article created a furious Kurdish protest demanding the Ankara government to ban the journal and punish the author. No measures were taken by the government, yet a follow-up article by the same author appeared a few weeks later in the same journal: “You will either accept Turkishness and melt within it or you will be annihilated.”

The articles provoked a widespread protest by Kurds. A Kurdish member of Turkish Worker Party, Mehdi Zana, along with a committee of Kurdish students, organized large demonstrations, which attracted 10.000 people in Silvan and over 25.000 people in Diyarbakir. The demonstrations spread to other cities in the East. In a month in Siverek, Batman, Tunceli and Ağrı thousands of people were gathered. Although what ignited the organization of demonstrations was an assault on Kurdishness, the flyers calling the local populations to the protests targeted the central government’s policy of national oppression and of planned underdevelopment: ‘as Turkey develops in a planned fashion, you are rendered backward in a planned fashion. The second five year development plan greatly widened the gap between West and East.’ (Gundogan) The slogans and the placards in the protests were articulating economic and social demands of the Kurdish populations by accentuating the economic disparities between the western and eastern parts of the country. One of the placards in the Diyarbakir protest epitomized the failure of the ‘one-nation project’ and the ideal of a self-enclosed and integrated national economy: “We have been fooled into thinking there are no east and west” (Gundogan, 2011: 414).

Other placards and slogans include: ‘Civilization for the West, ignorance for the East, why?’, ‘The destiny of the east is hunger, unemployment and disdain,’ ‘The west is your homeland, but what about the east?’, ‘Factories and roads for the west, police stations for the east,’ ‘Infrastructure for the west; abuse for the east,’ ‘National income: Manisa 2350, Agri 500, Aydin 2500, Hakkâri 250 [Turkish lira],’ ‘Five-year plans are nothing but lies!’, ‘We are not separatists, we want equality,’ ‘We want factories, not bazookas,’ ‘We want teachers, not the gendarmerie,’ ‘We want schools, not police stations’. For the full list, see Gundogan, 2011 414.

### **Pro-Kurdish Parties in Turkish Legal System**

First legal political party, which explicitly committed to the advancement of Kurdish political and cultural rights, was Halkın Emek Partisi (People's Labor Party—HEP) founded in 1990. For Watts (2006), the foundation of HEP signaled the beginning of a “representative contention,” which is based on non-violent domestic struggle to promote the movement's goals. HEP was closed in 1994 by the Turkish Constitutional Court, yet Kurdish movement founded a succession of new pro-Kurdish parties. The Kurdish movement set up seven different parties in 19 years, the major ones were: the Halkın Demokrasi Partisi (People's Democracy Party—HADEP), founded in 1994 and closed by the court in 2003; and the Democratic People's Party (DEHAP), founded in 1997 and voluntarily abolished itself and incorporated into the Democratic Society Party (DTP) in late 2005. DTP was closed by the court in 2009, and replaced by Barış ve Demokrasi Partisi (Peace and Democracy Party – BDP). The formation of a series of pro-Kurdish political parties that competed for municipal and national office with an openly and explicitly pro-Kurdish agenda strengthened the pro-Kurdish movement by providing it with an “institutional basis for public collective gathering that it had lacked, new access to domestic and international audiences, and new symbolic resources” (Watts, 2006). Specifically, the control of local state offices in the mostly Kurdish southeastern provinces provided the Kurdish movement with a certain durability, and helped sustain its activism in urban spaces in different forms.

The non-violent struggle of the Kurdish movement was resilient, yet not trouble-free. In the six weeks preceding the 1999 election, 551 HADEP officials and members were detained by police; 57 were sent to prison including the president of the party Murat Bozlak. In February 2000 three HADEP mayors including [the mayor of Diyarbakir] Feridun Celik were arrested and charged with aiding the PKK. Their offices in these three cities were raided by the police and gendarme forces raided; many municipality officers were detained and put in trial. Hundreds of civilians were injured and detained during the demonstrations (Insan Hakları Derneği, 2002). Osman Baydemir who came to the office of Diyarbakir municipality in 2004 was several times threatened with investigation due to his speeches. After 2009 elections, thousands of DTP members were detained due to allegations of being members of PKK under the umbrella of KCK, including the Surici mayor Abdullah Demirbas whose case was discussed in relation to the “transnational non-governmental contention” with the help of increased links between Kurdish Diaspora, European politicians and the Kurdish politicians in Turkey.

Source: Watts, 2010.

## 1.9

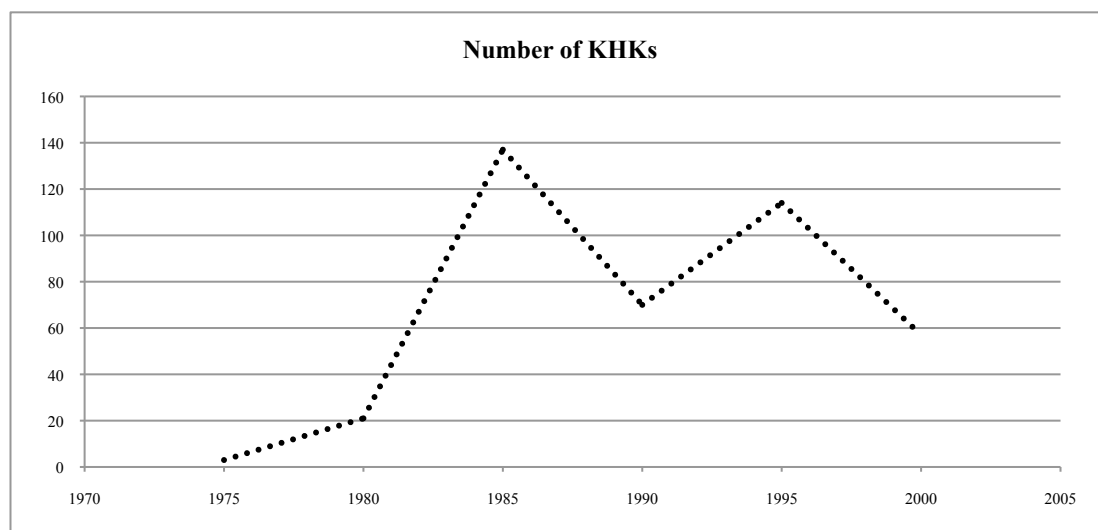
Table 2 – Exports in GAP Region (1 000 \$)

<b>CITIES</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Adıyaman</b>	5 163	8 097	12 003	20 812	22 212	24 413
<b>Batman</b>	964	600	3 006	15 518	44 402	17 702
<b>Diyarbakır</b>	7 895	6 811	11 824	36 047	57 763	64 459
<b>Gaziantep</b>	598 659	614 298	862 617	1 267 281	1 624 674	1 860 952
<b>Kilis</b>	3 920	2 486	2 814	3 202	4 496	7 968
<b>Mardin</b>	60 274	23 119	37 508	73 310	171 436	187 435
<b>Siirt</b>	351	360	664	2 465	5 785	1 010
<b>Şırnak</b>	21 018	21 056	39 308	106 013	250 275	209 361
<b>Şanlıurfa</b>	9 950	6 984	10 200	14 810	31 510	40 063
<b>GAP</b>	708 194	683 811	979 944	1 539 458	2 212 553	2 413 363
<b>TURKEY</b>	31 334 216	36 059 089	47 252 836	63 167 153	73 476 408	85 141 517
<b>GAP/ TURKEY (%)</b>	2.2	1.9	2.0	2.4	3.0	2.8

Source: GAP RDA

1.10

Figure 3 - Number of KHKs between 1971 and 2001



1974	1 <sup>st</sup> Ecevit government	3
1978-79	3 <sup>rd</sup> Ecevit government	21
1980-83	Military junta	91
1983- 1987	1 <sup>st</sup> Ozal government	116
1987-1989	2 <sup>nd</sup> Ozal government	70
1991	1 <sup>st</sup> Yilmaz government	25
1991-93	7 <sup>th</sup> Demirel government	14
1993-95	1 <sup>st</sup> Ciller government	75
1996-97	1 <sup>st</sup> Erbakan government	6
1999-2001	5 <sup>th</sup> Ecevit government	51

source: compiled by the author from Tan, 1995 and Zengin and Altin, 1999.

1.11  
Gaziantep Logo



Brand City: Gaziantep  
source: GSO, <http://www.gso.org.tr/>

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