# Agricultural Transformation in Contemporary Turkey

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# ABSTRACT

This study analyses the agricultural restructuring processes in Turkey focusing on the first decade of the 2000s. It argues that the agricultural restructuring processes entailed a three-dimensional commodification process, namely commodification of land, subsistence and labour-power of the peasantry. In order to grasp the agricultural restructuring process, this work follows the interpretation of the concept of primitive accumulation as the constitutive basis of the capital-relation. The analysis shows that the restructuring of agriculture amounted to a political practice of government. However, in contrast to the classical example of primitive accumulation that Marx analysed, the Turkish state did not intervene directly. Rather, it governed through the market. In Turkey, the establishment of the market as the formative power of economy goes back to the early 1980s when the country experienced a change in development strategy from import substitution industrialisation to export-oriented growth model, which entailed marketisation as practice of government, at the expense of state-led development. In the 1980s, this change towards the market was supported by military dictatorship. The study places the restructuring of Turkish agriculture in the context of market-based processes of restructuring from the 1980s onwards.

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# LIST OF ABBREVIATIONS

| | |
|---|---|
| APAs: | Agricultural Producer Associations |
| ARIP: | Agricultural Reform Implementation Project |
| ASCUs: | Agricultural Sales Cooperatives and Unions |
| BAT: | British American Tobacco |
| BSB: | Independent Social Scientists Alliance |
| CAP: | Common Agricultural Policy |
| CBRT: | Central Bank of the Republic of Turkey |
| ÇAYKUR: | Directorate General for the Tea Industry |
| DIS: | Direct Income Support |
| DİSK: | Confederation of Revolutionary Trade Unions |
| EBK: | Meat and Fish Authority |
| EMRA: | Energy Market Regulatory Authority |
| GMO: | Genetically Modified Organisms |
| HPC: | High Planning Council |
| HPPs: | Hydroelectric Power Plants |
| ISI: | Import Substitution Industrialisation |
| JDP: | Justice and Development Party |
| KÖYTEKS: | Village Textiles |
| MFAL: | Ministry of Food, Agriculture and Livestock |
| MİSK: | Confederation of Nationalist Trade Unions |
| MP: | Motherland Party (ANAP) |
| ORÜS: | Forest Products Industry |
| PrivAdm: | Privatisation Administration |
| RPP: | Republican People's Party (CHP) |
| SAL: | Structural Adjustment Loan |
| SECAL: | Agricultural Sector Adjustment Loan |
| SEEs: | State Economic Enterprises |
| SEK: | Dairy Industries |
| SEKA: | Cellulose and Paper Factories |
| SGA: | Seed Growers Association |
| SK: | Sugar Agency |

| | |
|---|---|
| SPO: | State Planning Organisation |
| TAPDK: | Tobacco and Alcohol Market Regulatory Authority |
| TBDM: | Biosafety Clearing-House Mechanism of Turkey |
| TED: | Association of Tobacco Experts |
| TEKEL: | General Directorate of Tobacco, Tobacco Products, Salt and Alcohol Enterprises |
| TGNA: | Turkish Grand National Assembly |
| TİGEM: | General Directorate of Agricultural Enterprises |
| TMO: | Turkish Grain Board |
| TŞFAŞ: | Turkish Sugar Factories Inc. |
| TURKSTAT: | Turkish Statistical Institute |
| TÜBİTAK: | The Scientific and Technological Research Council of Turkey |
| TÜRKTOB: | Seed Growers Association |
| TÜGSAŞ: | Fertiliser Industry Inc. |
| TZDAŞ: | Turkish Agricultural Equipment Inc. |
| TZDK: | Agricultural Equipment Institute |
| UoT: | Undersecretariat of Treasury |
| UPOV: | International Union for the Protection of New Varieties of Plants |
| URAA: | Uruguay Round Agreement on Agriculture |
| WP: | Welfare Party |
| YEMSAN: | Forage Industry |
| ZMO: | Chamber of Agricultural Engineers |

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## AUTHOR'S DECLARATION

I declare that this thesis is a presentation of original work and I am the sole author. This work has not previously been presented for an award at this, or any other, University. All sources are acknowledged as References.

I presented a paper titled "Primitive Accumulation and Strong State: Changing Agrarian Relations in Turkey" at the panel "Agrarian Change VII: Capital, Labour and the State" under "IIPPE Seventh Annual Conference in Political Economy, titled Political Economy: International Trends and National Differences", in Lisbon, Portugal, on 9 September 2016. The paper drew on chapter two and chapter seven.

# CHAPTER I: INTRODUCTION

## 1. On the research topic

This research analyses the restructuring of agriculture in Turkey between 1980 and 2011.[1] The place of both the agricultural sector in the Turkish economy, and the rural population in society changed significantly within this period. The share of the agricultural sector in GDP decreased from 22.6% in 1981 to 9.3% in 2012 (see Table 1). Whereas the sector had 50.1% of the total employment in 1981, only 24.6% were employed in agriculture in 2012 (see Table 1). There was a corresponding decline in the proportion of rural population to total population from 56.1% in 1981 to 22.7% in 2012 (see Table 1). These figures evidence a huge transformation in Turkey's political economy away from a largely agrarian economy. This thesis does not address the transformation of the Turkish political economy as such. Rather, it is concerned with the restructuring of social relations in the countryside. The thesis examines the transformation process in order to establish its impact on the change in social relations in rural areas.

The processes of agricultural restructuring accelerated since the 2000s. However, I hold that the turning point in the developmental trajectory of the Turkish political economy was set in the 1980s. It was in the 1980s that the economic development strategy shifted from import-substitution to export-orientation. This shift established a market-based framework for economic development that, concerning agriculture, led first to incremental changes which accelerated towards a fully blown market-led restructuring in the agricultural sector. The shift in economic programme goes back to the declaration of a Stabilisation Programme on January 24$^{th}$ 1980. The 24 January Decisions called for liberalisation of foreign trade, liberalisation of exchange transactions and controls, promotion of foreign capital investments and shrinking of the share of public sector in economy. The programme was in response to slack economic growth and performance during the 1970s and came against the background of persistent militant labour unrest. The change in economic policy was accompanied on

[1] This work covers the period until 201; because the first decade of the 2000s was marked by the agricultural restructuring process, whereas agriculture again recedes into the background as a result of the changing political conjuncture and agenda in the following decade.

September 12th 1980 by a military coup, largely in response to labour militancy. The implementation of the Stabilisation Programme started in conditions of military government.

**Table 1 - Some Selected Data Showing the Transformation of Agriculture in Turkey after 1980s**

| | | 1981 | 1991 | 2001 | 2012 |
|---|---|---|---|---|---|
| **Share of Agricultural Production in GDP (%) [a]** | | 22.6 | 16.1 | 11.9 | 9.3 |
| **Agricultural Employment[b]** | In thousands | 8353 | 9212 | 8089 | 6097 |
| | Share of agricultural employment (%) | 50.1 | 47.8 | 37.6 | 24.6 |
| **Rural Population[c]** | Nominal values (in thousands) | 25,092 | 23,147 | 23,798 | 17,179 |
| | Share of rural population (%) | 56.1 | 41 | 35.1 | 22.7 |
| **Employment Status in Agriculture[d]** | Unpaid Family Workers (in thousands) | N/A | 5752 | 4331 | 2823 |
| | Unpaid Family Workers (%) | N/A | 62.4 | 53.5 | 46.3 |
| **Employment Status in Agriculture[d]** | Waged Workers (in thousands) | N/A | 373.5 | 356 | 606 |
| | Waged Workers (%) | N/A | 4.1 | 4.4 | 9.9 |
| **Employment Status in Agriculture[d]** | Own account workers (in thousands) | N/A | 2997 | 3332 | 2590 |
| | Own account workers (%) | N/A | 32.5 | 41.2 | 42.5 |

[a]: The 2001 and 2012 data are in 1998 constant prices (TURKSTAT, 2014, p. 641). 1981 and 1991 data are taken from the GNP seriesin constant prices (TURKSTAT, 2014, p. 673) as an approximation of GDP shares since GDP series is not available for these dates.
[b]: Source: TURKSTAT (2014, pp. 132-135). Shares are author's own calculations.
[c]: Source: TURKSTAT (2017a). The years 1981, 1991 and 2001 shows the data for 1980, 1990 and 2000 respectively since the population census was taken in 5 year periods before 2007.
[d]: Source: For the year 1991, TURKSTAT (2017b), for the year 2001 TURKSTAT (2017c), for the year 2012 TURKSTAT (2017d). Percentage shares are author's own calculation. The figures for the year 1991 are obtained by taking the arithmetic average of April 1991 and October 1991 data.

I hold that the framework for the restructuring of Turkish agriculture was set by the Stabilisation Programme of the 1980s. The programme asserted a market-led economic regulation of the national economy. Concerning agriculture, it called for the elimination of state subsidies to rural producers and a cut in support purchases of agricultural crops. The restructuring process included also the liberalisation of agricultural foreign trade,

privatisation of agricultural state economic enterprises, restructuring of agricultural sales cooperatives, technocratisation of economic management through establishment of independent regulatory agencies, growing importance of direct investment into agriculture by private and multinational companies, and standardisation of the production process. Most of these changes have come about from the late 1990s onwards. The consequences of the agricultural restructuring process regarding the transformation in production process, property relations and rural social composition were mainly felt in the 2000s.

My thesis is that the transformation from an agrarian to a non-agrarian political economy that Turkey experienced as a result of this process involved fundamental changes in social relations in the countryside. The restructuring of rural social relations reminds us of the primitive accumulation process, as it consisted of a divorce of the peasantry from their lands and being forced to sell their labour power to subsist. The changing place of agriculture in the Turkish economy and of the rural population in Turkish society involved a three-dimensional commodification process, within which the land, the daily reproduction of peasantry and the labour power of the peasantry are all commodified. In other words, the broader marketisation process, which Turkey has been going through, entailed a change in the characteristics of social relations in rural Turkey as a result of this three-dimensional commodification. In this study, I will look into the means and mechanisms of primitive accumulation and the effects of the agricultural restructuring in terms of social relations.

To reiterate, as a result of the agricultural restructuring process analysed in this study, agriculture ceases to characterise the Turkish economy. The changing place of the agricultural sector is an ongoing process throughout the republican history, in line with the modernisation of the country. However, Turkey had been defined as an agrarian society until very recently; hence the significance of the first decade of the 2000s for the shift towards a non-agrarian country. Firstly, urban-rural relations in Turkey have always been strong and intricate. It can be stated that both the urban population has had remaining rural relations, and that the rural population has retained strong social ties with the urban population. A study[2] regarding this connection shows that approximately 30% of the peasantry had worked in cities for a long time and that more than 80% of them have close relatives or a home where they can stay in cities (Boratav, 2004, p. 42). The same study also portrays the complexity of

[2] The numbers provided in this study reflect early 1990s Turkey. These relations have become more complicated since then, as a result of rural to urban migration as more and more people have detached from agricultural production. Because the exact same questions were not replicated in a more recent study, to the best of my knowledge, it is hard to track the quantitative change in the intricacy of rural-urban relations.

the remaining relations with reference to the ownership of houses, lands, and income-generating lands by the urban population in rural areas; what is more striking is that the amount of rural ownership by the urban unemployed is above the average (p. 41). Another study carried out in the slums of Istanbul finds that 85% of the population had been born outside of Istanbul; 45% being in villages, and 40% still owning lands in their villages (p. 39).

Secondly petty commodity production has been very common in, and regarded as the defining characteristic of, Turkish agriculture; which complicated the pattern of class polarisation despite the penetration of capitalist relations in rural areas throughout the history of modernisation. In the simplest terms, petty commodity producer in agriculture refers to a combination of the class positions of capital and labour (Bernstein, 2010, p. 103). They own the land on which they engage in production, their production is heavily dependent upon family labour and part of their produce is consumed by them. Therefore, this complicated combination of ownership of the means of production, resorting to their own labour power and the ability to maintain subsistence production gives them a specific place in the analyses of the relation between peasantry and capitalism in general. A quick overview of the numbers indicating the form of employment in Turkish economy would give an idea of the commonality of petty commodity production in the agricultural sector. In 1991, the sum of unpaid family labour and those working on their own account constituted 94.9% of the total employment in agriculture (see Table 1); whereas it was only 22.6% in the non-agricultural sectors (TURKSTAT, 2017b). Although 47.8% of the employed population was employed in the agricultural sector in 1991 (see Table 1), only 5% of the regular and casual workers were employed in that sector (TURKSTAT, 2017b). On the other hand, the share of unpaid family labour employed in the agricultural sector out of the total numbers of unpaid family labour was 91% (TURKSTAT, 2017b). In 1991, 67% of agricultural enterprises had a size of less than 50 decares, showing the fact that small peasantry is the majority amongst farmers in Turkey (TURKSTAT, 1991). In the same year, the share of agricultural enterprises producing only on their own lands was 92% (TURKSTAT, 1991). As the numbers clearly indicate, leaving petty commodity production with its complicated class position outside of the analysis of the development of capitalism in rural Turkey is almost impossible.

The first decade of the 2000s disrupted this structure to such an extent that it is no longer possible to recognise Turkey as an agrarian society, nor is the Turkish economy characterised by agriculture. Intensification and institutionalisation of the above-mentioned

restructuring process in this period caused the agricultural sector to lose its importance, and thus created significant changes in agrarian structures. The share of agricultural employment in total employment decreased from 37.6% in 2001 to 24.6% in 2012 (see Table 1). Although, this share had already been decreasing proportionally, from the 2000s onwards it started to experience a consistent absolute decrease, as well as a proportional one, for the first time in the history of capitalism in Turkey. The changing place of agriculture reflected in the change in employment statistics was accompanied by a change in the characteristics of the Turkish peasant. The small peasantry, who were highly dependent upon state support are no longer able to engage in agricultural production. It was mentioned above that 67% of agricultural enterprises had a size of less than 50 decares in the beginning of 1990s. Whereas this amount was 65% in 2001, it decreased to 57% in 2006 (Günlü, 2012, cited in Teoman & Tartıcı (2012, p. 166)).[3] The share of agricultural enterprises producing only on their own lands decreased from 92% in 1991 to 86% in 2001 and to 77% in 2006 (Teoman & Tartıcı, 2012, p. 167). These numbers show that owning a small portion of land and producing on that land was ceasing to be the defining characteristic of the farmer in Turkey. Furthermore, the change in the distribution among the forms of employment in the agricultural sector gives some clues about the change in the use of labour power. The share of unpaid family labour in the total agricultural employment decreased from 53.5% in 2001 to 46.3% in 2012 (see Table 1). On the other hand, the share of regular and casual workers in the total agricultural employment increased from 4.4% to 9.9% in the same period (see Table 1). However, proportions can be misleading if the declining place of agriculture as a whole is not taken into consideration. The total number of people employed in the agricultural sector decreased by almost 2 million, 1.5 million of whom were unpaid family labourers; whereas the number of workers in the sector increased only by a quarter million (see Table 1). As agricultural production is no longer an income generating activity for the small peasantry, those members of the household that used to work as unpaid family workers had to enter into wage relation, mostly in the non-agricultural sectors.

In parallel with the declining significance of agriculture as a sector, the academic interest in the topic decreased significantly after 1980, despite the high volume of the

[3] Unfortunately, the most recent statistics about the size of the peasantry can be found in the Agricultural Holdings Structure Survey of 2006. Yet, still the decrease in the number of small peasantry between 2001 and 2006 shows the trend in the last decade.

transformation.[4] There are two reasons for this. Firstly, the 1980 military coup made it harder for the leftist circles to continue to engage in producing academic knowledge on the agrarian question in the post-coup period. The lively discussions on peasantry had stemmed from the question of how to integrate the peasant in the revolutionary strategy in these circles. Secondly, the decreasing role of the agricultural sector in Turkish development after the end of import substitution industrialisation resulted in a corresponding decline in the emphasis on agriculture in the analysis of capitalism. This latter point shows how the agrarian change was also considered as part of the development problematic, regardless of the progressive character of the existing analyses of capitalism in Turkey.

The agrarian structures had once been a hotly debated topic in Turkish academia. There was a sincere attempt to understand the issues of the relation between agriculture and capitalism, petty commodity production and rural transformation. As a reflection of the Modernisation School and its critique by the Dependency School[5] in Turkey, the encounter between the backward villages and the capitalist mode of production and transformation of rural relations as a result of this encounter became a topic of analysis in Turkey. The 1970s was marked by the famous Boratav-Erdost Debate within the literature on agrarian change.[6] The debate was mainly on the future of peasantry/petty commodity producers and based upon the difference between these two social scientists in regards to their analysis of the existing agrarian structures in Turkey. Korkut Boratav and Muzaffer İlhan Erdost differed in their ideas on the dominant mode of production in Turkish agriculture in line with their political stances. For Erdost, the fact that capitalism is still not the dominant mode of production in Turkish agriculture, unlike Boratav's argument, points to the lack of the necessary conditions

[4] Marginalisation of the literature on agriculture-capitalism relation is not limited to Turkey. Similar to Turkish academia, the once famous agrarian/peasant question lost its previous significance in the worldwide studies on the topic following the 1980s. It was replaced by literature on food and agriculture pointing to a shift in the focus from the class positions of petty commodity producers towards the involvement of the global/international capital through production, exchange and consumption processes of agricultural crops. That agriculture is associated with food, and that the agrarian transformation has been conceptualised with reference to transition from a food regime to another, portrays this shift. The concept of food regime refers to the different phases in the history of capitalist accumulation and the transition between these phases; following the analysis of the Regulation School on different regimes of accumulation (Friedmann & McMichael, 1989). Providing a critical evaluation of the concept of food regime, Araghi calls for revisiting the peasant/agrarian question with reference to imperialism and global value relations (2003). The emphasis on the neoliberal policies as a unique period feeds into the idea of phases/stages of capitalism, while subordinating the theoretical significance of an alternative emphasis on underlying capitalist relations.

[5] See below, under the theoretical foundations section.

[6] The articles that started the exchange between Boratav and Erdost are "Tarımda Feodal Üretim İlişkileri, Feodal Kalıntılar ve Basit Meta Üretimi (Feudal Relations of Production, Feudal Remnants and Simple Commodity Production in Agriculture)" (Boratav, 1969); "Türkiye Tarımında Hakim Üretim İlişkisi Üzerine (On the Dominant Relation of Production in Turkish Agriculture)" (Erdost, 1969); and "Tarımda Üretim İlişkileri Üzerine (On the Relations of Production in Agriculture)" (Boratav, 1970).

for a socialist revolution and that a national democratic revolution should precede that; while for Boratav, a struggle for socialist revolution is possible in Turkey (Seddon & Margulies, 1984, p. 29). Whereas Boratav emphasised capitalist relations of distribution, to which petty commodity producers are subject through the market, as merchant and usurer capital – through "primitive mechanisms of capitalist exploitation"- appropriate the surplus product produced by the small farmers; Erdost opposed that capitalist relations are dominant in Turkish agriculture and suggested the prevalence of feudalism in rural Turkey (ibid). This political strategy based argument at the broader level on dominance of capitalist vs feudal relations in rural Turkey has an implication for the existing rural class structure and its transformation. The question then becomes whether agricultural petty commodity producer is an archaic, a pre-capitalist category destined to extinction or one that can integrate into and survive under capitalism. Therefore, a duality which is a legacy of the Boratav-Erdost Debate in the literature on agrarian change in Turkey is the dissolution vs persistence of small peasantry.

There is a return to the topic in the 2000s, especially after 2010, but this came with a shift of focus from capitalism towards neoliberalism or globalisation.[7] The emphasis on issues like the relation between agriculture and capitalism, petty commodity production, dissolution/survival of small peasantry and rural class relations is replaced with an emphasis on new issues like self-sufficiency of Turkish agriculture under integration with the world market, decreasing involvement of the state, and differentiation of small peasantry –as part of the attempt to overcome the dissolution/persistence duality- in line with their adaptation strategies to neoliberal policies. Also, novel terms of ecology, biodiversity, environmental sustainability, organic farming, genetically modified organisms attracted scholars; but the use of these terms has diverted the attention away from capitalism itself and contributed to the reproduction of a mainstream understanding of agrarian structures and rural social relations even in critical studies. This shift of focus impaired the theoretical depth in terms of the analysis of changing social relations and created a need for development of a robust theoretical toolbox.

Moving from both quantitative and qualitative limitations of the existing literature on agrarian change in Turkey, I aspire to make an original contribution to this literature with this work. To begin with, I will primarily look into what the agricultural restructuring process means in terms of social relations; by focusing on the changing production process, property

[7] This shift of focus is discussed in detail under the literature review chapter.

relations and rural social composition. Through suggesting that it in fact means a change in social relations in rural Turkey because it involved a three-dimensional (land, reproduction, labour power) commodification process; I aim to emphasise the capital-relation itself and its continuous constitution process and thereby contribute to the literature on the agricultural restructuring in post-1980 Turkey by providing a critical analytical tool, while on the other hand placing the agricultural restructuring within the broader post-1980 context. The main conceptual bases of my arguments include *uneven and combined development* and *primitive accumulation*, which I will open up in the next section. In addition, in order to go beyond the widely accepted idea of a retreating state, I will provide an in-depth discussion on the mechanisms of state involvement throughout the agricultural restructuring process, through the analysis of agricultural policies and establishment of legal framework enabling further marketisation of the sector, thereby facilitating the above-mentioned commodification processes.

## 2. On the theoretical foundations

The shift from an agrarian economy to a non-agrarian one has long been a topic for the development literature, since this shift signalled achievement of a desirable level of industrialisation, and therefore of modernisation and development. Within this literature, Modernisation, Dependency, World-System and Developmental State Schools have in sequence developed arguments in response to the development problematic. Modernisation School posits "tradition" and "modern" in contrast with each other, and assumes that if Third World countries follow the Western path, they can overcome backwardness and achieve industrialisation, urbanisation, and secularisation as the advanced countries did (So, 1990, pp. 33-35). Dependency School, which developed as a criticism against Modernisation, argues that the reason for underdevelopment in Third World countries is external. It stems from the fact that advanced countries whom they encounter are developed, rather than survival of backward structures within these countries, as Frank puts forward (1970, p. 9). This perspective is therefore pessimistic about the idea of catching up in contrast with the optimism of Modernisation (So, 1990, p. 107). World-System theory defines three categories within capitalist world economy, namely core, semi-periphery and periphery; and differs from Dependency in that it argues there is both upward and downward mobility among these

categories; although both theories accept the exploitative relationship between core and periphery (p. 195). The idea that development is a possibility was also revived by the Developmental State theory, which underlines political factors and suggests that the states with "sufficient power, autonomy and capacity" to pursue developmental strategies can bring development to their countries (Leftwich, 1995, p. 401). To the extent that the shift from an agrarian to a non-agrarian society has been experienced only very recently in Turkey, the development problematic covered by these schools of thought is relevant for this work. However, this shift involves a change in social relations as argued above, and that is what this research chooses to focus on; beyond the questions of whether Turkey can develop, what is the way to achieve economic growth, is it the political structure that shapes the development process? All of the approaches mentioned above are based on the premise of unevenness, either between tradition and modern or between core and periphery. They all look into the shift away from an agrarian economy and society. However, their main focus of analysis is not the impact of the development process on social relations.

The uneven nature of capitalist development causes inequalities between underdeveloped and developed countries; and within each country, between urban and rural areas or different sectors of economy. When Turkey's position in the world economy and the agricultural sector's place in Turkish economy is considered, this unevenness should be included in the analysis. In addition, despite the long-lasting history of capitalist modernisation, and dominance of the capitalist mode of production in the country, there remains the pre-modern, the pre/non-capitalist, the backward structures; mainly reflecting the continuous underdevelopment. This as well does not result from a failure of capitalist development, but from the continuous encounter between capitalism and its other. In this sense, the above-mentioned ongoing tension is also innate to capitalist development. Trotsky's (1959) concept of *uneven and combined development*, which has been developed in time to explain different time periods and geographical places[8], underlines this very uneven nature of capitalist development and co-existence of capitalist mode of production with its other. The concept is useful in describing the case in hand and will therefore be utilised in this work. However, external exploitation is only one aspect of the continuous underdevelopment. Also underlined by the classical Marxist critique of Frank, "deeper underlying factors" need to be examined to achieve a credible explanation and for that, "the

[8] Development of the concept within the literature will be examined in detail in the theoretical framework chapter.

structure of social relations" in a given society should be the focus of analysis (Blomström & Hettne, 1984, p. 82).

In order to achieve this purpose, I will look into what the agricultural restructuring process means in terms of social relations in rural Turkey. I argue that the restructuring involves a three-dimensional commodification process. Land has been commodified through the enclosure of commons and a transition to the so-called rational use of agricultural lands for non-agricultural investments. Reproduction of – particularly small - peasants has been commodified, in the absence of state support mechanisms and under increasing dependence on market rationale. Last but not least, labour-power of peasants -and not only of those who can no longer subsist from agricultural production and start to seek jobs in non-agricultural sectors, but also of those who remained to engage in farming- has been commodified. The process of marketisation thus led to a restructuring of social relations in the countryside. Not only was the peasantry separated from their means of existence, but also the capital relation was established in rural Turkey through the analysed process. Therefore, while making sense of the agricultural transformation, I will use the concept of *primitive accumulation*, which I think has an explanatory power with its reference to this very separation.

Marx used the term both to describe a historical period, within which capitalism emerged in England, and within a theoretical discussion on the foundation of capitalist social relations as part of his critique of classical political economy (Marx, 1976). Later interpretations of the concept within Marxist literature vary. The process of primitive accumulation is conceived either as belonging to a distant past and refers only to transition to capitalism (Lenin, 1936)[9], or as a *continuous* process (Luxemburg, 2004; Amin, 1974; Mandel, 1975; Harvey, 2004; DallaCosta, 2008; DeAngelis, 2008; Bonefeld, 2008a). The second strand underlines the continuity of the process in general, but it is not homogeneous. Continuity can refer to both reappearance of the process in new territories as part of transition to capitalism or in already capitalist social formations.[10] Harvey's use of the term in his analysis of neoliberalism has significant effects in a resurgence of the concept in the recent literature on neoliberal policies with their focus upon new enclosures.[11] There is a still further interpretation of the concept, according to which the process of primitive

[9] Or see the transition debate (Dobb, 1976; Sweezy, 1976a).

[10] For the former emphasis, see Luxemburg (2004), Amin (1974), Mandel (1975). For the latter emphasis, see Harvey (2004), De Angelis (2008), Dalla Costa (2008).

[11] For the analyses of neoliberal policies through the concept, see Heynen, et al. (2007), Roberts (2008), Glassman (2007), Nasser (2000), Sassen (2010). For a specific literature on enclosures of land, see Baird (2011), Shapan (2013), Levien (2011), Chandra & Basu (2007), Patnaik & Moyo (2011).

accumulation is “constitutive of the capital relation” (Bonefeld, 2008a, p. 57) and “central to the existence of capitalism” (Holloway, 2002, p. 35), because the capital relation is based upon the separation of the masses from their means of subsistence. Primitive accumulation results in divorce of the peasants from the land and commodification of labour power through establishment of the free labourer; the latter being the presupposition of capitalism.

Following the final interpretation, this study regards primitive accumulation neither as a moment peculiar to transition to capitalism nor as a re-emerging one caused by capitalism; but rather as something innate to capitalism. Primitive accumulation, that is, separation of the masses from their means of existence, is not an issue of transition to capitalism, but an issue of origin of capitalism. Moving from this point, this research will analyse the agrarian change in Turkey, by focusing on the mechanisms of primitive accumulation, which are experienced by the peasantry throughout the above mentioned three-dimensional commodification process and which contributed to the establishment of the capital relation in rural Turkey and thereby to the resolution of the long-lasting tension between village and city.

## 3. On the thesis of the study

The agricultural restructuring process is part of the resolution of a long-lasting tension between agriculture and industry, and between rural and urban areas. The shift from the import substitution industrialisation to the export-oriented growth model in 1980 marked a breaking point in the political and economic history of the country. It came with a military coup, which facilitated the implementation of the new economic policies through effectively suppressing the opposition that had strengthened in the late 1970s. The shift towards export-led growth strategy provided an opening up of the domestic economy and its reintegration with the world market; and meant further marketisation as the state-market relations were restructured through privatisation and trade liberalisation. However, the new economic strategy initially targeted manufacture and industry, and the agricultural sector remained immune in a sense from the sharp transformation process. It can be stated that the 1980s only set the background for the agricultural restructuring, but this period was still highly relevant, as it enabled the placement of agricultural production into a market framework by establishing the latter.

The next decade brought about a new dimension to the transformation that was taking place at the broad level, through financial liberalisation. The 1990s are characterised by both economic and political instability. Whilst causing the successive financial crises throughout the decade because of the increasing dependence on hot money flows, financial liberalisation acted on the other hand as a disciplinary force. Compared to the preceding and the following decades, the 1990s lacked the necessary political strength; which slowed down the implementation of the new economic policies. On the other hand, increasing involvement of international financial institutions intermediated the maintenance of the process through conditionalities at each crisis. Unlike the 1980s, when a strong one party government followed the military rule, Turkey had weak and short-lived coalition governments in the 1990s. By the end of the decade all of the existing political parties had been delegitimised.

The 2000s started with a severe financial crisis which, combined with the delegitimation of the existing political parties, created a suitable environment for the quick rise of a newly established party, Justice and Development Party, after its coming to power following 2002 elections. After the political turmoil and market failure experienced in the previous decade, the 2000s brought stability to the country, with a strong and long-termed one-party government. Following 2002, JDP showed continuity in terms of the economic policies, and by contributing to the recovery of the market through political stability, it deepened and institutionalised the marketisation process. This resulted in a wholesale change in Turkish economic and social structures. The marketisation process that had been ongoing since 1980 had a huge impact on agricultural sector thanks to a stable and committed political power - eager to implement the new economic policies in the agricultural sector.

The agricultural restructuring process involved foreign trade liberalisation, retrenchment of support mechanisms that had been previously provided by the state, privatisation of agricultural state economic enterprises and increasing dominance of private and multinational companies in agricultural production and trade, restructuring of agricultural sales cooperatives in line with market principles, and technocratisation of economic management through establishment of independent regulatory agencies. As market principles started to dominate the sector, subsistence farming ceded its place to profit-oriented farming, the commons to rational use through profitable investments, the peasant wisdom coming from the knowledge of the production process to standardised crops. Deprived of the support mechanisms, small peasantry found it increasingly hard to engage in agricultural production, and agriculture ceased to be the main income generating activity for these households. Most

of them detached totally from agricultural production and migrated to cities, where they had to work in other sectors. These components have been analysed within the existing literature as part of the neoliberal solution to the crisis of capitalist accumulation disregarding the change in social relations; however, this work seeks to underline that it pointed to the constitution of capitalism and of capitalist social relations, rather than a mere consequence of it. In addition, while constituting a huge step towards the resolution of the above-mentioned tension between agriculture and other sectors or between the village and the city, and in this sense can be considered as part of the modernisation or development processes of the country; the agricultural restructuring process meant separation of the masses from their means of existence, that is primitive accumulation. It involved a three-dimensional commodification process, where land, reproduction and labour power of peasantry are all commodified; and resulted in a restructuring of social relations in rural Turkey.

Asserting that the agricultural restructuring process involved primitive accumulation does not mean claiming that the primitive accumulation in the classical sense (when peasants were violently expelled from their lands and expropriation was brought about by force) was replicated in this case. Here, it was enforced by impersonal, abstract market forces. The primitive accumulation process was brought about by means of market pressures, supported by law, and achieved through deliberate public policy. The government was strong enough to make and implement policies such as withdrawal of subsidies and to create the legal basis for a wholesale rural restructuring. In this sense, the so-called retreating state actively involved itself in the primitive accumulation process and therefore a close analysis of the mechanisms through which the state was involved in the agricultural restructuring process is the key to grasp the primitive accumulation dynamics.

## 4. On the research methods

This work is a single case study as it analyses the agricultural restructuring process in Turkey between 1980 and 2011. It predominantly adopts qualitative research methods and is based upon critical interpretation of the empirical data. Studying a single case and doing it through predominantly qualitative methods is chosen, because they enable both in-depth and contextual analyses and provide answers for complicated questions (Bryman, 2012, pp. 71-72, 401). The reasons for choosing the starting date as 1980 has been given above. The cut

off date is 2011 for two reasons. Firstly, by the end of the decade, the post-1980 restructuring of Turkish agriculture had to a great extent been completed, and its consequences had already started to be felt. Secondly, Erdogan's final term as a prime minister started in 2011 and ended in 2014, when he became the first elected president of the country. After 2011, Turkish politics changed track and both domestic and foreign policy agendas were occupied with such different topics as a result of the further consolidation of the power of Justice and Development Party that agriculture once again became a less important issue.

Having specified the topic, the country and the period this work deals with; it is significant to note that the main motivation behind this study is to develop a critical analysis of the process. To reiterate, the main question this work asks is "what does the agricultural restructuring process mean in terms of changing social relations in rural Turkey?". In a quest for answering this question, I do not employ a positivist or empiricist approach. Rather, I make use of "critique" as a method (Thompson, 2017). I do attempt to describe what the process includes, but beyond that, I aim to understand what it entails in regards to social relations. Because understanding the underlying social relations of any phenomenon is key to develop an integrated explanation of the social reality. Critical reasoning enables us "to distinguish between the essence and the appearance of social reality" and to "link the phenomenon being studied to the overall totality of social processes and forces that make up the society as a whole" (Thompson, 2017, p. 234). Therefore, a "critical account of reality" is "able to grasp the systemic, dynamic features of reality as well as their internal and external relations with other aspects of the social totality in order to derive knowledge of the essential processes that constitute reality" (Thompson, 2017, p. 231). Marx's critique of the classical political economy is critical, because "it dissolves the economic categories on a social basis, arguing that definite forms of social relations manifest themselves in mysterious economic forms. For the critical tradition, the critique of economic categories therefore entails a theory of the social constitution of economic forms" (Bonefeld, 2014, p. 22). An analysis of the economic categories as such helps in describing the analysed process, and I include several references to these categories throughout my study. However; my original contribution comes from my attempt to understand the social constitution of these categories. The agricultural restructuring process that resulted in a move away from agriculture is part of the development of Turkish economy or more specifically of capitalist development in Turkey; and capital, as a thing, has been accumulated throughout this process. However; my main emphasis is on the

capital as a social relation, hence the proposal of referring to the concept of primitive accumulation.

In order to clarify the line of thought from development to capitalist development -uneven and combined-, from capitalist development to capitalism and capital as a social relation -primitive accumulation; I made a comprehensive literature review on these key concepts. Determining what the *relevant* literature includes and reviewing it in a critical manner are both made through a given conceptual lens (Bryman, 2012, pp. 8-9); but it is assumed that the literature review would in turn help in the establishment of a conceptual framework and in achieving the level of abstraction to make sense of the concrete phenomena. What led me to develop my conceptual framework –three-dimensional commodification pointing to primitive accumulation- is the limitations within the existing literature on post-1980 transformation of Turkish agriculture stemming from an overemphasis upon economic categories, at the expense of social relations. Therefore, a review of this literature is also included in the thesis.

For my empirical analysis, I resorted to a variety of sources depending on the aspect of the restructuring process I deal with, which turned out to be the headings of the subsections in case chapters. In order to make sense of the broader context within which the agricultural restructuring took place in three consecutive decades, and to position agriculture within economy, I reviewed secondary sources on the political and economic developments at the country level, namely scholarly books, articles, and statistical data, and at some points existing analyses of the statistical data. These sources enable the researcher to allocate more time to data analysis than data collection, to see different interpretations of the same phenomena and to make new interpretations (Bryman, 2012, pp. 312-315). General statistics about the economy, about the relation between domestic and international markets, between agricultural sector and other sectors, about changes in time in employment levels and forms, in state's involvement in agriculture through support mechanisms portray the general picture of the transformation. It is "possible to summarise large amounts of data" through statistics (Burnham, et al., 2008, p. 169). These statistics are published by Turkish Statistical Institute, and they are mostly available online. In cases where TurkStat data was insufficient, I utilised the sources of Ministry of Development, Undersecretariat of Treasury, Central Bank and State Planning Organisation.

In order to portray what the agricultural policies are for each specific period, how they are shaped and formulated and how they are implemented, I looked into official state documents, such as national development plans, reports of the Ministry of Food, Agriculture and Livestock and of other relevant ministries or independent regulatory agencies -tobacco and sugar; and publications of agricultural chambers and cooperatives; as well as documents of international organisations such as World Bank reports and progress reports on the process of harmonisation with the EU, and the correspondence between national and international authorities such as the letters of intent given to the IMF. Looking directly into these documents enabled me to include critical discourse analysis in my general overview of the policies. The use in these documents of the expressions like "there is a need for achieving *efficiency* in agricultural markets", "the sector was a *burden* on the state", "*economic rationality* should replace the political rationality which forced populist policies and rendered the sector *ineffective*", "the market should be *depoliticised*" portrays how the neoliberal policies have been justified through a strong discourse against the existing agricultural structure. Furthermore, this enabled me to reveal how both this discourse and the policies themselves have been internalised by the national actors throughout the restructuring process. This strengthened my argument - as opposed to the criticism within the existing literature against the state for keeping its hands off the agriculture and peasantry- that the state governed through the market and facilitated the three-dimensional commodification. Further contributing to this argument, I reviewed the relevant laws, regulations and decree laws made in each sub-period, to see how the legal framework for further marketisation was established by contextualising them in the broader political economic environment.

Concerning the changes in the production process, property relations and social composition, I mainly combined the available statistical data with the findings of existing studies that focus on specific crops or villages; but did so underlining my conceptual framework, namely the three-dimensional commodification. The problem with statistical data in Turkey is that it is very limited when it comes to agriculture. The statistical data on agrarian structures is neither regularly collected, nor responsive to the questions of class dynamics in general. General Agricultural Censuses include valuable data on agrarian structures such as the classification of agricultural holdings depending on their sizes, their types, land use and number of parcels. Since 1950, these have been taken roughly every ten years, 1950, 1963, 1970, 1980, 1991 and 2001. Unfortunately, the last Census is the one held in 2001. In 2006, Agricultural Holdings Structure Survey was published, and this includes the

most recently available official data on these issues. In addition, proletarianisation dynamics are not reflected in these works. They do not even ask the quantitative question of how many peasants quitted farming and turned into wage labourers, or what their migration destinations are. Diversification of incomes and settlement places by the peasant households and informal working conditions in both agriculture and non-agricultural sectors further complicate the situation. In order to overcome this obstacle, I also used the already published studies based on fieldworks conducted in different parts of Turkey. For example, statistical data tell something about increasing number of tractors, but the change in production process cannot be comprehended without looking into the phenomenon of contract farming. In this sense the studies I classified as micro level in the existing literature helps in filling in the gaps in the general picture. The general picture, in turn, was complete only after emphasising the constitution of capital-relation in rural Turkey.

This study does not conduct a fieldwork itself. There could have been two ways of doing this, either by narrowing the studied field or by attempting to achieve a general dataset through going to multiple fields. First of all, Turkey is composed of seven geographical regions and experiences four seasons throughout the calendar year, meaning that a great variety of cereals, fruits and vegetables are produced all around the country. On the one hand, each agricultural crop has its own specific story and on the other hand, each region has its own social, economic, political and cultural background. Therefore, the agricultural transformation process has been experienced differently in different regions, or among the producers of different crops within the same region. Focusing on only one crop and conducting a narrow fieldwork accordingly would have provided the necessary depth in the analysis of its own specific transformation process.[12] However, this entails the risk of missing the broader picture; because the restructuring analysed in this study applies to the agricultural sector as a whole. The second way, on the other hand, was not feasible within the limits of this research. Doing multiple and comparative fieldworks in various crops and regions in order to achieve generalisable results requires a significant time and financial resources that are beyond the reach of the researcher.[13] Furthermore, shifting the emphasis onto empirical data would have undermined the theoretical openings this research aspires to make. This

[12] See Ulukan (2009) for instance, for an in-depth analysis of contract farming in tomato production in Bursa. By focusing on one city and one crop, he is able to make a comprehensive analysis of how production of tomato, which is itself the main input of tomato paste industry, changed over time.

[13] See Özuğurlu (2011) for instance, for an analysis based on a fieldwork conducted in 24 villages across the country; which was a product of collective work, as part of a two-year project sponsored by TÜBİTAK.

study attempts neither to go into the details of a specific crop / village[14] nor to establish a dataset for the whole country; on the contrary, it aims to make sense of the transformation process by establishing its relationship with the capital relation.

## 5. On the structure of the study

Following this introductory chapter, the next chapter will establish the conceptual framework upon which the arguments of the study will be built. It will introduce the concepts of *primitive accumulation* and *uneven and combined development*, review the different meanings they have gained in time, and discuss how they are relevant for the case in hand.

The third chapter will review the existing literature on transformation of Turkish agriculture in the post-1980 period, by underlining its limitations and then put forward the originality of this work against that literature and its contribution into that.

The fourth chapter will provide the historical background of the process analysed in the study. In order to understand what changed regarding the agrarian structures following the 1980s, formation of these very structures will be explained from a historical perspective. Beginning from 1923, which is the date of the establishment of the Republic of Turkey, the agrarian structures will be analysed within the context of the political economy of the country throughout its history until the 1980s.

Whereas these first four chapters serve the aim of clarifying the theoretical perspective used in the analysis and familiarising the reader with the historical background of the analysed process; the remaining part of the study is devoted to the analysis of the current transformation of Turkish agriculture. Although post-1980 Turkey constitutes continuity in terms of further marketisation, the way the agricultural sector was affected by this process makes it worthy of examining this period by further periodisation. The analysis of the agricultural restructuring process will be done in three chapters, which correspond roughly to three consecutive decades. The fifth chapter will focus on the 1980s, when the Turkish political economy went through significant changes that created the context within which agricultural restructuring was to be realised. The sixth chapter will focus on the 1990s, when

[14] See Ecevit (1999) for the monography of Gökçeağaç, a village in the Black Sea region, where tobacco had traditionally been the main income-generating crop.

important steps were taken towards agricultural restructuring, but lack of a stable political environment meant a slow progress in the process. The seventh chapter will focus on the 2000s, when the already ongoing agricultural restructuring process was intensified and institutionalised. This would enable a comparison among these three decades, and thereby facilitate us to understand the peculiarity of 2000s in terms of the accomplishment of the post-1980 agricultural restructuring process.

In order to compare and contrast different time periods in terms of agricultural restructuring process more easily, this study will use the same structure in the fifth, sixth and seventh chapters. They all start with a discussion on Turkish political and economic environment in general; and then they place the agricultural sector within Turkish economy, for the specific time period covered in the chapter. Following that, they focus on the agricultural policies pursued in that period. Involvement of both external and internal actors in the policy-making and implementation processes will be dealt with. Examination of the legal framework, that is the laws and regulations that were enacted based upon those policies, will be the next step. Comparative examination of policies and legal regulations in three consecutive decades will pave the way for the discussion on the role of the state in the restructuring process. After that, how the production process changed as a result of the policies implemented will be elaborated upon; through tracking the amount, type and factors of production, and the actors involved in the organisation and realisation of the production process for each period. The dynamics and mechanisms of the transition from subsistence farming towards a more profit-oriented agricultural production process in line with the restructuring of global food and agriculture will be shown. Lastly, the changes regarding the property relations and social composition in rural Turkey will be analysed. Land ownership and relying heavily upon unpaid family labour had typically characterised small farmers in Turkey; how this has been altered due to the recent restructuring process will be portrayed in these parts; which will also include the migration and proletarianisation dynamics.

The final chapter will rebuild the linkage between the theoretical framework and the case in hand, by making a concluding discussion on how the uneven and combined characteristics of capitalist development found their reflection in agricultural restructuring process, on transformation of petty commodity production, on the role of the state within this process and on the primitive accumulation dynamics. Then, it will sum up the conclusions developed in response to the question of this research, reassert the theoretical and empirical contributions of this work, and make suggestions for further studies.

# CHAPTER II: THEORETICAL FRAMEWORK

## 1. Introduction

This research focuses on the agricultural restructuring process that took place in the first decade of the 2000s in Turkey. Its aim is to provide an analysis of this process by contextualising it in the capitalist development in the country. It is asserted that understanding the underlying premises of capitalism would enable us to achieve a viable explanation of the topic in hand. This chapter will provide the theoretical framework, within which this contextualisation will be made. The main research question this work asks is "what does the agricultural restructuring process mean in terms of changing social relations in rural Turkey?".

The agricultural restructuring process in Turkey caused a general shift away from agriculture. The shift from an agrarian economy/society to a non-agrarian one, as a signal of industrialisation, modernisation and development, has been a core topic for the Development Literature. This literature, to which Modernisation, Dependency, World-System and Developmental State theories have contributed, addresses the development problematic by departing from the unevenness among countries, despite the varying responses each school of thought has developed for this problematic. The common concern for this literature is to account for the situation of late developing/underdeveloped countries. To the extent that Turkey experienced the shift away from agriculture only very recently, the agricultural restructuring process could have been analysed in reference to or as a part of the development problematic. However, as already underlined in the introduction, this work seeks to understand rather the changing social relations than Turkish development path.

In order to shift the emphasis from the Turkish development path to capitalist development itself, the concept of *uneven and combined development* (Trotsky, 1959) is utilised in this work. This would provide, on the one hand, a tool to describe the agricultural restructuring process; because, both Turkey's place in the world economy and the rural economy's place within Turkey point to unevenness; and beyond that, survival of petty commodity producers in the Turkish countryside point to co-existence of capitalism with its other, phrased as *combined* by Trotsky. On the other hand, by underlining that uneven and

combined development derives from the nature of capitalism rather than stemming from the specificity of Turkey, it would provide a connection to the core concept used in this work.

The main argument I put forward in response to the question of changing social relations is that the agricultural restructuring in Turkey involves a three-dimensional commodification process. Firstly, land as the main means of agricultural production has been commodified as a result of changing property relations. Secondly, daily reproduction of agricultural producers has been commodified, as the meaning and means of subsistence change in line with the changing characteristics of agricultural production in this period. Thirdly, labour power of the agricultural producers has been commodified, as more and more people turn into wage labourers as the peasantry detaches from agriculture. This three-dimensional commodification process, in turn, involves the separation of the masses from their means of existence. Having an explanatory power for the analysis of the case in hand, with its reference to this very separation, the concept of *primitive accumulation* (Marx, 1976) will be the core for the theoretical framework of this study. I argue that the agricultural restructuring can be explained in reference to the constitution of the capital-relation through primitive accumulation.

Small peasantry losing ownership of the land, becoming dependent upon the market in order to meet their daily reproduction needs and turning into wage-labourers are the basic steps taken in the process of establishment of capitalism. The capital relation presupposes the existence of free labourers, free in terms of engaging in contract relations, through which they can sell their labour power, and freed from their means of subsistence, thus forced to enter into that relation. Marx had written that "these new freedmen became sellers of themselves only after they had been robbed of all their own means of production, and of all the guarantees of existence" (Marx, 1976, p. 875). Land is the most significant means of agricultural production; and the main commons that has been enclosed throughout the history of capitalism. Emergence of capitalism has been characterised by the separation between the peasantry and the land. As Marx puts it, "[t]he expropriation of the agricultural producer, of the peasant, from the soil, is the basis of the whole process" (1976, p. 876). Therefore, the analysis of this separation helps in understanding the dynamics of capitalist social relations of production in rural areas.

Although capitalism began to emerge even before the establishment of the republic in Turkey, the tension between agriculture and other sectors, between rural and urban areas have

remained unresolved for a long period of time, as reflected in the commonality of petty commodity production in agriculture until the 2000s. That the dissolution of the agricultural petty commodity producers has been accelerated through the three-dimensional commodification process in the 2000s brings out the question of whether or not the process of separation of the masses from their means of subsistence belongs only to the period of transition to capitalism. The answer provided in this study to this question is no. This separation process is an ongoing one under capitalism, rather than being simply a matter of transition. Therefore, the concept of primitive accumulation is still as relevant today.

The chapter will start with a brief review of the Development Literature, and then introduce the concept of uneven and combined development. The rest of the chapter is devoted to an overview of the origins, historical development, different interpretations, current usage and analytical power of the concept of primitive accumulation. After the concept will be defined in reference to Marx; two classical interpretations, as historical and as continuous, represented by Lenin and Luxemburg respectively, will be introduced. Then, different implementations of the concept in literature based on these classical interpretations will be elaborated upon, and the Transition Debate and the contributions of Amin and Mandel will be discussed. Finally, current uses of the concept will be examined through focusing on the resurrection of the concept in Harvey and the Land-grabbing literature, and then on the contributions of De Angelis, Dalla Costa and Bonefeld. The chapter will then conclude by clarifying the meaning of the concept as used in this study.

## 2. Development

Backwardness of capitalist development in Turkey, remaining different forms in rural Turkey and their encounter with the capital relation especially in the last three decades brings the question of whether this resulted from the uniqueness of Turkey or of agriculture in general, or from a general characteristic of capitalist development itself. The questions of backwardness, development, and global inequalities have been addressed within the development literature; and this section will go over the arguments developed within that literature.

To begin with, Modernisation Theory marked the development literature in the post-World War II period, in an attempt to theorise the development path in front of the newly established nation-states of the Third World. The theory assumes that there are stages of development, and societies move from the "primitive, simple, undifferentiated traditional" one toward the "advanced, complex, differentiated modern" one (So, 1990, p. 33). For example, Rostow suggests that there are five stages of economic growth, one of which is the take-off stage, when a rapid growth in one sector acts as the engine of economic transformation, and creates "deep and often slow-moving changes in the economy and the society as a whole" (Rostow, 1956, p. 47). The Modernisation approach argues that if Third World countries follow the same development path, they can overcome backwardness and catch up with Western countries (So, 1990, p. 34). Modernisation involves industrialisation and urbanisation as well, as it refers to a holistic change in societies, according to this perspective (p. 35); therefore, the shift from an agrarian to a non-agrarian society is part of the modernisation process and is expected to happen in Third World countries as a result of it. This perspective considers various dualities in different aspects of society, summarised in the contrast between the traditional and the modern. These dualities exist in various degrees, hence the emphasis by Levy on relatively modernised and relatively non-modernised societies (Levy, 1967). Agricultural-industrial and rural-urban are among those dualities, and agriculture and village take place within the backward structures, which need to be overcome in order to achieve the development level of the advanced societies. According to Modernisation Theory, the inequality between Third World and Western countries and the problems facing the former mostly stem from the internal structures of these countries (So, 1990, p. 107). More encounters with the West would help the restructuring of traditional societies and enable them to catch up with the advanced ones.

The strongest criticism against the Modernisation Theory came from the Dependency School in the 1960s. It emerged as a response to the failure of the ECLA[15] programme, which had prescribed a protectionist and import-substitution industrialisation based developmental strategy, in Latin America (So, 1990, p. 91). According to Dependency Theory, the causes of underdevelopment in Third World countries should be sought externally, rather than in the internal backward structures as Modernisation suggested. Frank (1970) develops the concept of "development of underdevelopment", to show the relation between underdevelopment and dependency. He states that "[t]he now developed countries were never *under*developed,

[15] U.N. Economic Commission for Latin America

though they may have been *un*developed" (Frank, 1970, p. 4). In this sense, underdevelopment is specific to the peripheral countries; however, it is not the consequence of their own backwardness but of the existence of development in core countries. The more Third World countries encounter with the Western world, the more dependent they become and thus the more underdeveloped they get. While the Modernisation perspective advises more contact with West and following the Western path; the Dependency perspective argues that this deepens developmental problems rather than contributing to development. Therefore, given their dependency, development is impossible in the periphery (So, 1990, p. 105). The duality is not between tradition and modernity, but between core and periphery under capitalism, and capitalism prevents the latter from developing. Frank states that "underdevelopment is not due to the survival of archaic institutions and the existence of capital shortage in regions that have remained isolated from the stream of world history. On the contrary, underdevelopment was and still is generated by the very same historical process which also generated economic development: the development of capitalism itself" (Frank, 1970, p. 9). In other words, development and underdevelopment are two sides of the same coin; that is, capitalism.

Another approach contributing to the same literature is the World-System analysis, developed, under the leadership of Wallerstein, as a response to new developments within capitalist world economy that cannot be explained by the Dependency perspective, such as the East Asian miracles (So, 1990, pp. 169-170). While Wallerstein "has incorporated many concepts from the dependency school – such as unequal exchange, core-periphery exploitation and the world-market – into his world system perspective", for him peripheral development is not impossible (p. 171). He defines three zones in the world-economy and calls them the semi-periphery, the core and the periphery (Wallerstein, 2011, p. 63). There is a hierarchical relation among these zones, the core being at the top, the periphery at the bottom; and the semi-periphery constitutes a buffer between the core and the periphery. This relation entails exploitation among these zones in line with the existing hierarchy; on the other hand, upward and downward mobility is possible (So, 1990, p. 195). The core is characterised by strong states, bureaucracies and armies; whereas the periphery lacks strong central governments, which is the reason Wallerstein abstained from using the concept of peripheral states[16] and preferred establishing the dichotomy between core-states and

[16] The fact that Wallerstein prefers the term area to the term state in the absence of strong central governments underlines the assumption that a capitalist state definitely needs a strong government. This assumption points to

peripheral areas (Wallerstein, 2011, p. 349). The most significant assumption of the World-System perspective is that all countries belong to the capitalist world economy, rather than having different, separate and national economies. However, although he includes the nature of capitalist world economy into his analysis and, in this sense, goes beyond the simple equation between nation-states and economic development, he bases his discussion upon countries attributed to one of the zones he defines. In other words, the unequal relation emphasised here is again a relation among the countries.

The attempt to account for the East Asian miracles created another approach within the development literature more recently and it marked the literature in the early 1990s. Moving from the rapid economic growth achieved in East Asian countries, mainly Japan; this approach puts forward that a Developmental State, firstly defined by Johnson in his 1982 book MITI and the Japanese Miracle, "was committed to private property and the market, [and] intervened in the economy to guide and promote economic development" (Stubbs, 2009, p. 2). This approach was a response to the critique of Dependency through reviving the idea that development is possible and achievable for Third World countries; on the other hand, it was reflecting the institutionalist idea of "Bringing the State Back in"[17] that marked the 1980s (pp. 3-4). The Developmental State perspective underlines political factors and suggests that the states with "sufficient power, autonomy and capacity" to pursue developmental strategies can bring development to their countries and realise their "wish to catch up with the west" (Leftwich, 1995, p. 401). These developmental states are governed by "strongly nationalist developmental elites", have a weak civil society and "central political and bureaucratic institutions", where "considerable power, autonomy and competence" is concentrated, and establish "close co-ordinating links with key economic interests in the private sector", which would "serve national developmental goals" (p. 420). A key component of the developmental state model is the strategic industry policy, where the state selects a group of industries, subsidises them and then opens them to international competition (Öniş, 1991b, pp. 111-112). The aim of this policy is achieving rapid industrialisation through state intervention in the prioritised sectors. It should be underlined that the Developmental State approach also recognises global unevenness but proposes a way out of it for the underdeveloped countries; which means they consider it as something that can be overcome. According to them, overcoming backwardness and achieving efficient and

a reality. How the so-called retreat of the state from the market in the post-1980 period necessitated strong governments throughout the capitalist world, including Turkey, proves it.

[17] See contributions to the book *Bringing the State Back In* (Evans, et al., 1985).

rapidly growing industries is possible by active state involvement in certain sectors of the economy.

Although the different approaches mentioned above have different responses to the development problematic, the premise of unevenness is common and in fact the departure point for the whole development literature. Change in rural social relations as a result of the development process is not the focus of analysis for any of them. In order to shift the emphasis from development problematic to the nature of capitalist development itself - and thereby to provide a bridge to the emphasis upon social relations - the next section will introduce the concept of *uneven and combined development*.

## 3. Capitalist Development: Uneven and Combined

The history of the concept of uneven and combined development traces back to Leon Trotsky's *The Russian Revolution (1930)*. He opens the first chapter of the book, where he discusses the "Peculiarities of Russia's Development", with the following statement: "The fundamental and most stable feature of Russian history is the slow tempo of her development, with the economic backwardness, primitiveness of social forms and low level of culture resulting from it" (1959, p. 1). Therefore, the point of departure for him as well is the relative levels of development for different countries. Backwardness, however, can be an advantage, according to him, to the extent that backward countries follow the advanced countries without the need for passing through those stages that advanced countries did. The prime mover for development then is external and Trotsky coins it as the *external necessity*. [18] He states that "[a] backward country assimilates the material and intellectual conquests of the advanced countries", and gives the examples of Germany and the US as surpassing England, as they skipped the intermediate steps (pp. 2-3).

From the emphasis upon the inequality among countries in terms of their levels of development, Trotsky moves to the definition of two general laws of capitalist development, constituting the components of the concept in hand.

> "Unevenness, the most general law of the historic process, reveals itself most sharply and complexly in the destiny of the backward countries. Under the whip of external necessity their backward culture is compelled to make leaps. From the universal law of unevenness thus derives another law which, for the

[18] This is similar with Sweezy's emphasis within the transition debate, which will be discussed below.

> lack of a better name, we may call the law of *combined development*- by which we mean a drawing together of the journey, a combining of separate steps, an amalgam of archaic with more contemporary forms." (1959, p. 4)

The distinction of the concept comes from Trotsky's emphasis on the co-existence of archaic and contemporary forms as the sharpest expression of unevenness. Unlike the argument of the Modernisation approach that development would bring a resolution of backward structures in society, combined development hints at their continuity. The concept presupposes co-existence of capitalist and non-capitalist social relations and the encounter between them. This encounter is a consequence of the expansionist character of the former. The co-existence and the encounter become determinant in defining backwardness. In other words, backwardness of the countries is defined with reference to their level of development relative to the so-called advanced capitalist countries. What makes the latter advanced, in turn, is the higher level of dominance of capitalist social relations of production there. These premises –capitalist development's being uneven and combined- can be found also in Dependency and World-System Schools in general. It should be noted that the emphasis on a rather two-way dependence distinguishes Trotsky from the Dependency School in terms of their understanding of dependence. For Trotsky, it is not only backward countries' dependence; the advanced ones depend upon the existence of the backward ones as well, stemming from the fact that capitalism cannot maintain its existence without the existence of its other. The same premises can be found also in the works of Sweezy, Amin and Mandel, which will be opened up below in reference to their primitive accumulation understandings. A common point to these scholars is that they focus on the exchange relations, in line with what Trotsky calls external necessity, rather than the relations of production. In fact, the decisive characteristic of capitalism is the wage relation, which belongs to the sphere of production instead of that of exchange.[19] Brenner's focus on the wage relation through his analysis of "the relation between direct producers and their exploiters" (Brewer, 1990, p. 229) constitutes a breaking point in the literature on transition, as will be discussed below.

Underlining its current relevance, Trotsky's concept became popular particularly in the International Relations discipline following the exchange of letters between Rosenberg and Callinicos (2008). In line with the debate in the discipline over the form of international system under globalisation, the debate in the letters focuses upon the analysis of states system under capitalism. Whereas Callinicos argues that uneven and combined development is

[19] This is the main criticism developed by Laclau against the line of Frank and Wallerstein (Brewer, 1990, p. 229).

specific to capitalism; Rosenberg argues that the concept is a transhistorical one, in reference to Trotsky, since capitalism was born into an international system (Callinicos & Rosenberg, 2008, p. 80).[20] Whether states system precedes capitalism or is created as a reply to the needs of capitalist development is beyond the scope of this study. As Bieler puts it; "while accepting the transhistorical importance of uneven and combined development, its specific nature in relation to current capitalist development... can only be grasped through an understanding of the capitalist social relations of production" (2013, p. 172).

The combined component of Trotsky's term also paves the way to prioritising production relations, rather than trade relations, with its emphasis upon the articulation of different modes of production. Bieler identifies uneven and combined development as one of the key dynamics of capitalist social relations of production –alongside "the relentless search for higher profits" and "an inner tendency towards crisis" (2013, pp. 171-174).[21] Capitalism is characterised by the search for new spaces, where new resources are to be exploited, to overcome the crises, thus for the reproduction of capital. This expansionist nature of capitalism is directly related to its uneven and combined character –no matter towards which direction the causal relation between them is. "Elements of old social formations continue to coexist with capitalist social relations" in the so-called backward countries and thus creating "the moment when uneven development becomes linked to combined development" (Bieler, 2013, p. 176). In those places where capitalism is newly emerging, capitalist social relations of production get interlinked with the remaining pre or non-capitalist social relations. It is the expansionist, profit seeking character of the capital relation that makes capitalism the dominant mode of production in that context.

Trotsky states that the combined character derives from unevenness; however, it can rightfully be argued that the combined existence of capitalist and non-capitalist social relations, in turn, creates unevenness. Hence, the concept of the "reproduction of unequal interdependence" as an alternative to the concept of combined development (Patnaik, cited in

[20] Callinicos suggests that the multiplicity of the states is a result of capitalism rather than "pre-capitalist processes of 'political accumulation'... [since] capitalism tends to unify the globe in a single world system where access to investment and markets is extremely unequally distributed geographically" (2007, p. 544). For Rosenberg, this point is useful in accounting for the continuation of states system under globalisation, and he agrees with Callinicos in that "Capitalism... necessarily reproduces the political fragmentation of the state system as a by-product of its tendency to 'uneven and combined development'" (Callinicos & Rosenberg, 2008, p. 78). However, he argues that "the question of why the 'international' dimension of social reality exists in the first place" remains unanswered (p. 80). In this sense, it is clear that for Rosenberg, the concept of uneven and combined development is not specific to capitalism. He turns back to Trotsky's use of the concept and asserts that Trotsky had referred to "all historical development" (Callinicos & Rosenberg, 2008).

[21] The expansionist nature of capitalism will be discussed in detail below in reference to Luxemburg's work.

(D'Costa, 2003), p. 213). Firstly, there emerges an uneven relation between the capitalist mode of production and other modes existing in that social formation. Secondly, backwardness of those social formations brought about by the combined character of capitalist development, that is, remaining of the so-called archaic forms, puts them in uneven relations with advanced social formations. Thirdly, this very coexistence results in uneven relations within that specific social formation. Supporting this final dimension, Bieler asserts that "uneven and combined development as a key dynamic of the capitalist social relations of production is not only taking place between countries and regions but also within countries" (2013, p. 117).[22]

The concept of uneven and combined development provides a tool for going beyond the development problematic, through directing the critique against capitalism.[23] To reiterate, this study will describe the shift away from agriculture that Turkey has experienced, but beyond that, it aims to explain the agricultural restructuring process that resulted in this shift by focusing on the changing social relations. This necessitates looking at the process of the constitution of capitalist relations and this will be done through the discussion on primitive accumulation in the next section.

[22] Although the literature on uneven and combined development at the international level is richer, it is hard to find specific analyses of that at the national level. For an analysis of internal inequalities, D'Costa's article on India (2003) provides a good example. He analyses the rise of Indian software industry in reference to the process of uneven and combined development. Whereas the Indian software industry is a high quality one, poverty is evident in the country. D'Costa states that "in attempting to overcome technological barriers through greater international economic integration, the Indian software industry is forging ahead but it is also exacerbating uneven and combined development at the national level" (2003, p. 221). Integration with the world economy is realised by a specific sector rather than by the national economy as a whole, which is a common fact among underdeveloped countries, thus resulting in huge gaps between different sectors of the economy. He gives the example of rural India, as being "characterized by debt bondage, social servitude, extensive poverty, illiteracy, and limited opportunities for social and economic mobility" (ibid).

[23] This is because the concept arises from Trotsky's search for a revolution strategy. Rather than finding a solution to the development problematic within capitalism, he deals with the way to achieve the socialist alternative. Whether socialist revolution without a national-democratic revolution is possible in the peripheral countries is another discussion. For an analysis of the Turkish case as an unfinished bourgeois revolution, see Löwy (1981, pp. 184-188). He regards the dominance of middle peasantry, instead of a strict polarisation between rich landlords and poor peasants in the Turkish context as a contributing factor of "stabilisation of bourgeois power… or relative democratisation after 1945" (ibid).

## 4. Constitution of the Capital-Relation: Primitive Accumulation

### 4.1. Definition

Marx introduces the concept of primitive accumulation in Capital, Volume I, Part VII (1867), and devotes the whole Part VIII to it.[24] His use of the term, however, has a specific background; namely his critique against classical political economy, and specifically against Adam Smith's discussion on the accumulation of stocks preceding the division of labour. Smith writes, "[a]s the accumulation of stock must, in the nature of things, be previous to the division of labour, so labour can be more and more subdivided in proportion only as stock is previously more and more accumulated." (1776, p. 451). During his inquiry into the causes of the wealth of nations, Smith refers to division of labour as generating improvement; however, he argues that this division itself requires the accumulation of sufficient wealth at first.

Marx's major contribution through his critique of classical political economy is his differentiation between wealth and capital, and his analysis of capital as a social relation rather than as stock or a thing to be accumulated (Wood, 2002, p. 31), as we will see in detail below. Furthermore, whereas in Smithian understanding this process refers to a natural and peaceful one; Marx's analysis involves the coercive component of the process. Smith asserts that the division of labour is the "necessary, though very slow and gradual, consequence of a certain propensity in human nature… to truck, barter and exchange" (1776, p. 22). In contrast to that, Marx focuses on the historical specificity of capitalism and, within that context, defines the process of primitive accumulation in reference to forceful divorce of the producers from their means of existence, rather than conceiving it as a part of the natural course of human history.[25] Through his focus on the historical specificity of the capitalist mode of production, "Marx rejected Smith's otherworldly conception of previous accumulation. He chided Smith for attempting to explain the present existence of class by reference to a mythical past that lies beyond our ability to challenge it" (Perelman, 2000, p. 25).

[24] It appeared as "die ursprüngliche Akkumulation" in Das Kapital in 1867, and was translated into English as "primitive accumulation" in the first English edition of Capital in 1887.

[25] The history of the expropriation of the agricultural population from the land "is written in the annals of mankind in letters of blood and fire", as he puts it in this famous quotation (Marx, 1976, p. 875).

Marx's Capital is an inquiry into capital, but his starting point for that is the analysis of commodity, as he makes clear in the very first sentences of Volume I:

> "The wealth of societies in which the capitalist mode of production prevails appears as an 'immense collection of commodities'; the individual commodity appears as its elementary form. Our investigation therefore begins with the analysis of commodity" (Marx, 1976, p. 125).

Here, he points to a transition from wealth into commodity, "a reduction of the richness of the world to the world of political economy, of commodities" (Holloway, 2015, p. 10).[26] Commodities that are circulated within exchange relations have both use and exchange values; the value of a commodity is determined by the social labour-time necessary for its production (Marx, 1976, p. 129). Money expands through the circulation of commodities, and Marx explains this expansion through what he calls surplus-value. Appropriation of the surplus value is the way of the creation of capital under capitalism. Therefore, the "aim of capitalist production is surplus value and not the satisfaction of needs" (Heinrich, 2004, p. 87). Wealth, in the sense that it includes universality of human needs, is thus transformed under capitalism into an immense collection of commodities, which can be exchanged and hence mediate the appropriation of surplus value. The form of wealth under capitalism, then, is this immense collection of commodities. The former appears as the latter, as Marx puts it. This appearance is what enables the classical political economy to consider wealth as a thing to be accumulated.

Creation of surplus value, which has a key role in the transition from wealth to commodities, is, in turn, enabled by the exchange relations based upon the existence of "free" and "equal" individuals (Marx, 1976, p. 280). It is within this commodity exchange system that the labour-power takes the form of a commodity to be sold and purchased. Under a system where owners of private property enter into a contractual relationship with each other, the owner of the solely labour-power has no option other than selling it in order to subsist. What Smith defines as an individual exchange relation is, according to Marx, "part of a *particular social totality* – a totality in which the reproduction of society is mediated by exchange" (Heinrich, 2004, pp. 46-47). Transition from feudalism to capitalism creates these free and equal individuals; as labourers previously tied to the land and to the feudal lords are freed from those ties and gain the right to sell their labour-power. On the other hand, selling

[26] Wealth refers to the "universality of human needs, capacities, pleasures, productive forces etc., created through universal *interchange"*, reminds Holloway, based on how Marx defines it in Grundrisse (2015, p. 6). In the same article, Holloway stands against the commonly accepted view that the starting point for Marx's analysis is commodity and argues that it is rather wealth as richness; because otherwise we take the appearance for granted whereas Marx's work is a critique against this very appearance.

one's labour power, that is, entering into wage relation, is beyond the free will of people; rather they are forced to do that, as they no longer have the means of production and subsistence. "The wage-labourer is not personally dependent upon a particular capitalist, but he must sell his labour-power to a capitalist in order to survive" (Heinrich, 2004, p. 204). Therefore, it is a double freedom, since it also refers to labourers becoming freed from the means of production. As Marx puts it, "these new freedmen became sellers of themselves only after they had been robbed of all their own means of production, and of all the guarantees of existence" (1976, p. 875). This process of creation of the free wage worker is the basis of the capitalist accumulation, to the extent that creation of capital presupposes the obligation on the labourers' side to engage in the production of surplus value, which is to be appropriated. This obligation is where Marx bases the concept of primitive accumulation:

> "The capital relation presupposes a complete separation between the workers and the ownership of the conditions for the realization of their labour. As soon as capitalist production stands on its own feet, it not only maintains this separation, but reproduces it on a constantly extending scale. The process, therefore, which creates the capital-relation can be nothing other than the process which divorces the worker from the ownership of the conditions of his own labour; it is a process which operates two transformations, whereby the social means of subsistence and production are turned into capital, and the immediate producers are turned into wage-labourers. So-called primitive accumulation, therefore, is nothing else than the historical process of divorcing the producer from the means of production" (Marx, 1976, pp. 874-875).

Through his discussion on primitive accumulation, Marx both describes a historical process, that of transition from feudalism to capitalism, and analyses the origin of capital as a social relation. The theoretical insights to be gained from the conceptualisation of the process of primitive accumulation by Marx lie in the latter. Whereas in Smith's conceptualisation, capital refers to a thing created for once and then stocked, Marx asserts that it is a fetishised form of relations between humans; behind what Smith regards as stock, Marx sees a social relation between producers and appropriators of surplus-value creating that appearance (Marx, 1976, p. 166). As seen in the quotation above, Marx clearly posits that the capital-relation presupposes the divorce of the labourer from their means of subsistence. Primitive accumulation creates both the wage-labourer and the capitalist. Accumulation of capital is based on constant reproduction of the social relation between capital and labour. To the extent that this relation should be constantly reproduced under capitalism, so does the process of divorcing the masses from their means of subsistence. Therefore, primitive accumulation is not a once and for all process that is encountered only in the transition period; rather it is at the very centre of capitalist social relations, the basis of the establishment and continuity of those relations.

Despite this emphasis, it is very common within Marxist literature to regard primitive accumulation as only defining the process of transition to capitalism. This stems from the tendency to distinguish between primitive accumulation and capitalist accumulation, and reserve the former one for the transition period; moving from Marx's statement that "primitive accumulation […] precedes capitalist accumulation; an accumulation which is not the result of the capitalist mode of production but its point of departure." (1976, p. 873). The main difference dividing the two traditional interpretations following Marx is their emphases upon the concept as referring to a distant past, characterised by the emergence of capitalism, and as referring to a continuous process, experienced in those places where transition towards the capitalist mode of production occurred later as a result of the expansionist tendencies of capitalist accumulation. The main representatives of these two interpretations are Lenin and Luxemburg, respectively. Whereas the former argument regards primitive accumulation as the starting point of capitalism, the latter regards it as a consequence of it. The difference between these two interpretations contributes to the development of the analytical strength of the concept, to the extent that the second interpretation enables its application to the analyses of later developments in the history of capitalism. However, within the strand focusing on the continuous character of the process of primitive accumulation, there is also another subdivision. Continuity refers either to a continuity in terms of transition to capitalism in non-capitalist parts of the world, or to a continuity also in places where capitalism had already been established.[27] The first meaning finds its roots in Marx's reference to colonies as a form of primitive accumulation other than the classic form in England. The second meaning, on the other hand, enables us to underline the same expansionist tendency of capital; this time within the same social formation, such as from urban to rural areas, regardless of how many times these rural areas had encountered with capitalist production relations beforehand.[28] All of these categories introduced here will be discussed in detail below.

[27] For the former emphasis, see Luxemburg (2004), Amin (1974), Mandel (1975). For the latter emphasis, see Harvey (2004), De Angelis (2008), Dalla Costa (2008), Bonefeld (2008a), Holloway (2002).

[28] It should be noted here that Luxemburg's definition of non-capitalist outside is not limited to geographical place, since her analysis includes rural areas in already capitalist countries as well (Bieler, et al., 2014, p. 14). Yet, the latter strand is still distinguished in terms of its reference to more contemporary forms of creating outsides within capitalism.

## 4.2. Classical Interpretations

This section will discuss the contributions of Lenin and Luxemburg to the concept of primitive accumulation, as the representatives of the two classical interpretations mentioned above. The later discussions on the concept draw heavily upon either one or the other of these two lines of approach. Therefore, understanding their distinctive characteristics with respect to each other would facilitate the contextualisation of later interpretations. De Angelis defines Lenin's interpretation as "historical primitive accumulation", and he posits Luxemburg's interpretation as a basis for the understanding of an "inherent-continuous primitive accumulation" (2008, pp. 29-30). Luxemburg's conceptualisation acts also as a bridge between the classical and more recent versions of the debate, in terms of the emphasis she makes upon the continuous character of the process of primitive accumulation.

In his book *The Development of Capitalism in Russia (1899)*, Lenin discusses the emergence of capitalism in Russia with a specific focus on the countryside, as opposed to the Narodnik view of associating capitalism with factories in the urban areas of Russia (McMichael, 1977, p. 500). For Lenin, the dissolution of peasantry constitutes a significant development and his emphasis upon the "divorcement of the direct producer from the means of production" as a "necessary condition" for the transition from simple commodity production towards a capitalist one is very clear (Lenin, 1936, p. 223). In this sense, Lenin's interpretation of the concept of primitive accumulation is characterised by the "transition *between* modes of production" (DeAngelis, 2008, p. 29) and the process of primitive accumulation is regarded by him as a precondition for capitalist accumulation - as a starting point of capitalism.

In his analysis of the emergence of capitalism in Russia, Lenin emphasises the creation of the *home market*. Establishment of the home market requires a transition, within which simple commodity economy, which had replaced natural economy earlier, leaves its place to capitalist commodity production (McMichael, 1977, pp. 500-501). Whereas simple commodity economy is characterised by the social division of labour between industry and agriculture; the transition towards capitalism included the *industrialisation of agriculture* (pp. 500-501). Dominance of the commodity form and its penetration into the agricultural production is the main basis of the emergence of the home market. The process of commodification includes labour-power turning into a commodity as well, which is realised

through the process of primitive accumulation. As peasants are divorced from the means of both production and subsistence and as the ownership of the means of production is concentrated, on the one hand, and subsistence has become dependent upon the market, on the other; polarisation towards appropriating and appropriated classes in the countryside has materialised gradually.

Lenin's classification of the peasantry is central to the idea of the polarisation of classes into rural proletariat and rural bourgeoisie under capitalism. For him, peasant households can be divided into three groups; namely, poor peasants, middle peasants and well-to-do peasants. Whereas the middle peasants are able to pursue their subsistence from the land they own, poor peasants are dependent upon activities other than farming as well (McMichael, 1977, p. 503). The third category is involved in commercial farming; that is, they produce mainly for the market, rather than their own consumption, and also hire people in their lands, whereas middle peasants are heavily dependent upon family labour. It is obvious that the process of transition to capitalism is experienced by poor peasants as commodification of their labour-power as they ended up becoming wage-workers, and by well-to-do peasants as creation of capital out of the means of production they own. However, dissolution of the middle peasantry is what Lenin associates with the decline of peasant economy (p. 505). The strength of Lenin's analysis comes from this very emphasis upon peasant differentiation. Lenin's contribution to the concept of primitive accumulation as developed by Marx, with regard to the agrarian transition, can be found in this emphasis (Bernstein, 2009, p. 61). For the debate on the dissolution and persistence of petty commodity producers which occupied agrarian change literature later, peasant differentiation is central.

In line with the differentiation and complexity of the relations Lenin reveals within the context of the Russian countryside, another thing that marks Lenin's analysis is his emphasis upon "various relations and combinations of agriculture and industry, as illustrations of types of intermediate and regressive forms of capitalism" (McMichael, 1977, p. 506). Instead of a clear-cut division between industry and agriculture or town and country, categories exist in a complex nature. Again the case of petty commodity production provides an example for this complexity. "[E]merging rural bourgeoisie… hir[es] farm labourers both for their workshops and to work their land" (p. 506). Rather than reducing the emergence of capitalism to urban industrialisation, Lenin focuses on the change in the social relations of production within the countryside to understand the emergence of capitalism. As McMichael

puts it, “Lenin revealed, through his focus on social relations of production, primitive accumulation *in process*” (p. 510).

Lenin’s *Imperialism, the Highest Stage of Capitalism (1917)* is another source with regards to the concept of primitive accumulation, although he himself says little about the relation between imperialism and primitive accumulation. Lenin’s inclusion of colonialism in the definition of primitive accumulation, as stated above, allows us to relate the concept to his interpretation of imperialism. For him, primitive accumulation and imperialism constitute consecutive stages, as the former refers to the initial and the latter to the highest stage of capitalist development. It is clear in Lenin’s conceptualisation that both define historical processes (Bryceson, 1980, p. 95). While describing imperialism, he mentions the expansion of particular national capitals, already centralised within the national boundaries, seeking “raw materials, markets and investment in areas hitherto untouched by capitalism” (p. 100). It should be noted here that Lenin considering primitive accumulation and imperialism as different stages hints at the fact that he reserves the concept of primitive accumulation for the explanation of the period of transition to capitalism.

While Lenin discusses the expansionist nature of capitalism in reference to imperialism, Luxemburg portrays its relation with the process of primitive accumulation very clearly. The continuous character of the process is brought about by this expansionist nature of capitalism, according to Luxemburg. In order to understand how these two relate to each other, it is worth a reminder of the law of the tendential fall in the rate of profit, as put forward by Marx. The rate of profit derives from the rate of variable capital, that is labour, to constant capital, as it is surplus value that creates the profit. Growing value of constant and total capital against a steady level of exploitation, that is the rate of surplus-value, means a falling rate of profit. The “gradual growth in the constant capital, in relation to the variable, must necessarily result in a gradual fall in the general rate of profit, given that the rate of surplus-value, or the level of exploitation of labour by capital, remains the same” (Marx, 1981, p. 318). It is this law of the tendential fall in the rate of profit that necessitates the continuous inclusion of new labour power into the capital-relation. It is tendential, says Marx, because there are counteracting factors making this law remain as a tendency (1981, p. 339). The expansionist nature of capitalism derives from the necessity to counter the capitalist crisis, resulting from the tendential fall in the rate of profit. For Luxemburg, this creates the

constant search for cheaper labour and raw materials and also for a greater market, and thus necessitates the expansion into the non-capitalist world, as will be underlined below.

Luxemburg's work, *The Accumulation of Capital (1913)*, is devoted to the analysis of the process of reproduction of capital. As capital is created through the appropriation of the surplus value *within* the production process, reproduction of capital refers to a "renewed production" process (Luxemburg, 2004, p. 11). Luxemburg reminds us of the fact that the motive for production is not meeting the needs of the society, but rather creation of the surplus value to be appropriated, under capitalism. Therefore, the constant engagement of the capitalist in the process of production is accounted for through the "real motive", which is "appropriation of the surplus value" (p. 11). Realisation of the commodities, that is, their being converted into the form of money, in turn, is the basis of reproduction of the capital for the capitalist (p. 11). The most important characteristic of the reproduction process is that it has to be expanded and realised at a greater scale each time because of the competitive nature of the capitalist system, although capitalism also includes simple reproduction. "Expansion becomes in truth a coercive law, an economic condition of existence for the individual capitalist" (p. 12). Under expanding reproduction, within which capital accumulates, the amount of capital increases as part of the already produced surplus value is added to the original amount of capital, that is, "by means of a progressive capitalisation of surplus value" (p. 14). To the extent that both the creation and accumulation of capital presupposes the creation of surplus value, it can be asserted that the existence of capital presupposes the existence of the labour power in the commodity form, as the creator of the surplus value. Commodification of labour power, in turn, presupposes the process of primitive accumulation.

Luxemburg's contribution to the concept of primitive accumulation is found in her emphasis upon the continuity of the process. Her position not only takes place in but also has a leading place in the strand emphasising *continuity*, in contrast to Lenin's position. De Angelis asserts that the "fundamental" contribution of Luxemburg is here, by stating that "the extra-economic prerequisite to capitalist production - what we shall call primitive accumulation - is an inherent and continuous element of modern societies and its range of action extends to the entire world" (DeAngelis, 2008, p. 29). Rather than regarding it as a process limited to the period within which capitalism emerges, her interpretation of the

concept underlines its continuous character.[29] Moving from the discussion on the colonies by Marx, she points to the distinction between an understanding of primitive accumulation as transition from feudalism to capitalism and an understanding of it as an ongoing process. She states that

> "[f]or Marx, these processes are incidental, illustrating merely the genesis of capital, its first appearance in the world; they are, as it were, travails by which the capitalist mode of production emerges from a feudal society […] Yet, as we have seen, capitalism in its frill maturity also depends in all respects on non-capitalist strata and social organizations existing side by side with it." (Luxemburg, 2004, p. 345)

According to Luxemburg, it is impossible for capitalism to exist without the existence of other, non-capitalist, spaces (2004, p. 328). This is brought about by the necessity of expanding reproduction mentioned above. The rule of competition under capitalism forces the expansion of the reproduction of capital, thus necessitating the search for new opportunities to create and appropriate surplus value in those places previously untouched by capitalism. As it had already been discussed above, profit seeking is the main motive for the capitalist, and the tendency of the rate of profit to fall results in crises, thus creating a constant need for the creation of profit elsewhere. In other words, the expansionist nature of capitalism is directly related to its inherent propensity to crises. For Luxemburg, then, "primitive accumulation is a feature of the crisis-ridden character of capitalist accumulation", as overcoming the crises requires "forcing conditions of primitive accumulation upon non-capitalist social relations, gaining new markets and integrating new workers into the capital relation" (Bonefeld, 2008a, p. 52).

Dependency of capitalism on non-capitalist spaces is not limited to the creation of the surplus value, but it also includes its realisation, to the extent that capitalism needs non-capitalist categories to become buyers of the commodities (Luxemburg, 2004, p. 346). The "enforcement of [this] exchange relation", in which "third parties (peasants, small independent producers etc.)" are involved however, "clashes with the social relations of non-capitalist production" (DeAngelis, 2008, p. 29). This encounter and clash is also observable

[29] Zarembka argues that considering Luxemburg's interpretation as one referring to continuity is misleading. According to Zarembka, Luxemburg regards the process of the separation of labourers from their means, that is, dispossession, as a continuous process under capitalism, but she regards the primitive accumulation clearly as a historical process, as she "reserve[s] 'primitive accumulation' for the original rise of the capitalist mode of production" (2008, pp. 70-71). Separation or dispossession is referred by Luxemburg in the analysis of accumulation of capital, not of primitive accumulation, for him (p. 71). Within this context, Zarembka makes a distinction between primitive accumulation and accumulation of capital proper, which will be discussed in detail below. Yet, it should be made clear here that the distinction Zarembka makes between separation/dispossession and primitive accumulation makes no sense to us. Thinking of the latter as distinct from the former brings us back to Smith's position, by hollowing out the concept.

in rural Turkey, as the capital relation penetrates into small peasantry's daily lives more and more. Luxemburg elaborates upon this clash within the context of colonialism, with reference to capital's "struggle against societies with a natural economy", which aims "to gain immediate possession of important sources of productive forces", "to 'liberate' labour power and to coerce it into service", "to introduce a commodity economy", and "to separate trade and agriculture" (Luxemburg, 2004, pp. 349-350). As these aims show, the "strongest protection for their social organisations and for their material bases of existence" (p. 350) are targeted by capitalism, and because of that the clash mentioned is a harsh one, resulting in the use of force. In order to overcome the difficulties it faces in these social formations, capitalism exerts both political and military violence. Therefore, the process of forceful divorce of the people from their means of production and subsistence is not limited to the emergence of capitalism; on the contrary, violence is a significant component of the new forms of primitive accumulation under the colonial period. As Luxemburg puts it, "'[s]weating blood and filth with every pore from head to toe' characterises not only the birth of capital but also its progress in the world at every step" (p. 433). It is very clear from this very quotation that she rejects the idea that conditions of primitive accumulation are limited to the birth of capital. Furthermore, she emphasises the continuous character of the process elsewhere in her statements that "capital in power performs the same task even to-day, and on an even more important scale" and "this process is still going on" (p. 350).

### 4.3. Different Implementations

Having defined the concept of primitive accumulation and summarised the positions of the main representatives of its two classical interpretations; in this section, we will move to a discussion of how these interpretations found their reflections in the later works. It was argued above that primitive accumulation is not a matter of transition to, but a matter of origin of, capitalism. In order to clarify this point, looking at the debates on transition to/origin of capitalism, and how the concept of primitive accumulation is used within these debates would be useful. To this end, a discussion on the *Transition Debate* and the *Brenner Debate* is included in this section. Another point introduced above is whether Turkey's position in the world economy and rural areas' place in the Turkish economy makes a difference in the experience of the process of primitive accumulation. Carrying the transition to capitalism debate to the level of different transitions in different parts of the world not only

provides insights for that point, but also depicts different meanings the concept of primitive accumulation has gained within the analysis of capitalism at the world level. Because of these reasons, the contributions of Amin and Mandel in the primitive accumulation debate will also be included in this section. The latter discussion will bring us back to the concept of uneven and combined development, which had been discussed above.

Although the Transition debate and the Brenner debate do not specifically focus on the process of primitive accumulation, their attempts to account for the origin of capitalism make their conceptualisation of the process significant. As Wood puts it, the notion of primitive accumulation as critically reformulated by Marx in contrast with the Smithian notion of it "become[s] the focal point of a major shift in explaining the origin of capitalism" (Wood, 2002, p. 13). Maurice Dobb's *Studies in the Development of Capitalism* (1946) was criticised by Paul Sweezy in the journal *Science and Society*. The debate between them on the transition from feudalism to capitalism was enriched by the contribution of other historians and finally was published as a book and constituted the famous transition debate. The main focus of the debate between Dobb and Sweezy was the "prime mover" of the process of transition from feudalism to capitalism. Whereas for Dobb it was the existing relations and the struggle under feudalism between peasantry and feudal lords; Sweezy argued that the rise of the towns and development of trade relations were the driving force. That "the petty producers", Dobb writes, "were successful in securing partial emancipation from feudal exploitation", and thus kept a part of the "surplus product for themselves" resulted in "some *accumulation of capital within the petty mode of production itself*, and hence for the start of a process of *class differentiation within that economy of small producers*" (Dobb, 1976, p. 167). He clearly finds the origin of capitalism *inside* the feudal system. He states that "the embryo of bourgeois productive relations arose within the old society" (p. 167). On the contrary, according to Sweezy, "the feudal system contains no internal prime mover" and "the driving force is to be sought outside the system" (Sweezy, 1976b, p. 106); although he admits the "*interaction* of the two" (p. 103). He even underlines this point while accusing Dobb of "mistak[ing] for immanent trends certain historical developments which *in fact can only be explained* as arising from causes external to the system" (Sweezy, 1976a, pp. 40, emphasis added).

With regards to their positioning in the transition debate, Wood argues that "Dobb was attacking the commercialisation model, while Sweezy was defending it" (Wood, 2002, p. 41). Wood criticises the commercialisation model, which prioritises trade and commerce in

the explanation of the origin of capitalism, for its taking capitalist development as a natural process and its assumption that "capitalism had existed, at least in embryo, from the dawn of history, if not in the very core of human nature and human rationality" (p. 16). Her rejection of the idea that capitalism is a "product of some inevitable natural process" and her emphasis upon the historical specificities of capitalism are based upon the contribution of Marx in terms of his account for the process of primitive accumulation (p. 37). In this sense, it has a reference to coercion and involvement of the capitalist state within the process, as opposed to its being an inevitable and natural one. Now, we will turn to the conceptualisation of the process in the transition debate.

In Dobb's conception of primitive accumulation, which is "*prior in time* to the full flowering of capitalist production" (Dobb, 1959, p. 178), the process refers to the "accumulation of claims or titles to wealth", rather than that of the means of production themselves (p. 177). According to him, the process is constituted of two distinctive and "consecutive" phases, namely "acquisition" and "realisation" (p. 184). In the first phase, claims to wealth are accumulated; it thus includes "*ownership* of assets"; whereas the second phase includes transformation of "these hoarded titles to wealth into actual means of production", that is, "*transfer* of ownership" (p. 178). Sweezy's main criticism against Dobb concerning the original accumulation process is his analysing the process in two phases. Rather than the realisation phase, he states, what is essential is "dispossession of enough landworkers to form a class willing to work for wages" (Sweezy, 1976a, p. 56). Dobb's emphasised use of the term "prior in time" in reference to primitive accumulation and silence of his opponent to the notion of priority show that the concept is understood in the "historical" sense within the transition debate. Although they underline the essentiality of dispossession, they place primitive accumulation only in the process of transition from feudalism to capitalism.

Robert Brenner was included in the debate on transition from feudalism to capitalism with his article *Agrarian Class Structure and Economic Development in Pre-Industrial Europe (1976),* and this contribution resulted in another famous debate named after him. He argues that "it is the structure of class relations, of class power, which will determine the manner and degree to which particular demographic and commercial changes will affect long-term trends in the distribution of income and economic growth – and not vice versa" (Brenner, 1985, p. 11). In this sense, he criticised the demographic model and the commercialisation model. What matters regarding the economic development of a society is

the "different class structures, specifically property relations or surplus-extraction relations", according to Brenner (p. 12). Therefore, he searched for, unlike Sweezy, "a dynamic internal to feudalism", but unlike Dobb, "an internal dynamic that did not presuppose an already existent capitalist logic" (Wood, 2002, p. 52). Still, it is again very clear that the process of primitive accumulation, though defined as the basis of capitalist development, belongs to the period of transition. What makes Brenner's contribution significant is that he develops a robust criticism against the historians within the Marxist tradition in terms of the assumption of classical political economy about capitalism's embryonic existence within feudalism. As it was already mentioned above, that primitive accumulation as critically conceived by Marx refers to a change in the social property relations rather than accumulation of wealth constitutes the basis of the distinction between classical political economy and critical political economy. In this sense, the inclusion of coercion into the analysis as opposed to a natural propensity of humans contributes to the conceptualisation of the process of primitive accumulation.

Samir Amin[30]'s contribution to the concept of primitive accumulation can be found in his work *Accumulation on a World Scale: A Critique of the Theory of Underdevelopment (1974).* Following Luxemburg's emphasis on the continuity of the process of primitive accumulation, he states that "mechanisms [of primitive accumulation] do not belong only to the prehistory of capitalism; they are contemporary as well" (Amin, 1974, p. 3). He derives this continuity from the analysis of accumulation carried to the world scale, as Luxemburg did, and from within the encounter of the capitalist mode of production with other modes. He states that "[p]arallel to the process of expanded reproduction through deepening of the market inside the capitalist mode of production, a simultaneous process of primitive accumulation was going on" (Amin, 1977, p. 173). According to Amin, as a result of the expansion of capitalism, different social formations, namely "central capitalism" and "peripheral capitalism in process of constitution" came under "mutual contact" (1977, p. 187). In this sense, he distinguishes the "transition to central capitalism" from "transition to peripheral capitalism", which are "fundamentally different" for him (1977, p. 200).

Compared to the transition from feudalism to capitalism debate, Amin's distinction between central and peripheral capitalism, thus between different patterns of transition, is a significant contribution regarding the purpose of this research - Turkey being among the

[30] He is one of the significant contributors of the Dependency School.

peripheral countries of world capitalism. Amin explains this difference by referring to "unequal international specialisation" and the related "unequal exchange" between central and peripheral countries, which creates an advantage for the centre (Amin, 1977, pp. 190-191; 200-203). It is within this framework that primitive accumulation gets a continuous character. Unequal exchange is the "characteristic feature of primitive accumulation", which "reappear[s] in a new form", "for the benefit of the centre" (1977, p. 187). Therefore, in his attempt to analyse accumulation on a world scale, Amin explains the relations between the centre and the periphery, between the capitalist mode of production and other modes, and the subjection of the latter to the former by transfers of value from the latter to the former. This unequal exchange becomes possible thanks to mechanisms of primitive accumulation; "[i]t is these forms of primitive accumulation, modified but persistent, that form the domain of the theory of accumulation on a world scale" (Amin, 1974, p. 3).

Similar to Amin's analysis of accumulation on a world scale, Mandel focuses on the world market in his attempt to account for the capitalist development (Mandel, 1975). It is within the framework of uneven and combined development of capitalism that he discusses the process of primitive accumulation. He regards primitive accumulation and capital accumulation as "not merely *successive* phases of economic history but also *concurrent* economic processes" (p. 46). In this sense, primitive accumulation does not only belong to the prehistory of capitalism, but constantly re-emerges and coexists with the process of capital accumulation in the production process. According to Mandel, whereas primitive accumulation refers only to surplus-value creation in developed countries, it plays a more decisive role in developing countries (p. 46). He argues that "ongoing primitive accumulation of capital outside the domain of already capitalist processes of production" is determined and limited by the "ongoing capital accumulation [within that] domain" (p. 47). As Luxemburg portrayed it, the continuity of primitive accumulation in new spaces resulted from the expansionary nature of capitalism. Mandel also emphasises that "capital presses outwards from the centre towards the periphery"; however, he asserts that this pressure takes place "both in each individual country and internationally" and the outside of the capitalist system includes new territories, new domains or new sectors (p. 47).

In Mandel's analysis, therefore, the emphasis is upon "the whole uneven and combined development of capitalist, semi-capitalist and pre-capitalist relations of production", which are "linked together by capitalist relations of exchange" (Mandel, 1975, p. 70). This whole structure is far from being homogeneous, though it forms an integrated

unity. Within such a system, Mandel argues, "development and underdevelopment reciprocally determine each other" and what enables development is the underdevelopment in countries, regions and branches of production, where level of productivity is lower (p. 102). This idea that the division within the world economy between the centre and the periphery – although labelling may vary- and the close relation between development and underdevelopment is common to the scholars within the Dependency School, which we will discuss below. According to Mandel, the relation between development and underdevelopment is understood in line with accumulation of capital. He states that "[w]ithout underdeveloped regions, there can be no transfer of surplus to the industrialised regions and hence no acceleration of capital accumulation there" (Mandel, 1975, p. 102) and, in turn, capital accumulation achieved in developed regions limits the primitive accumulation in underdeveloped regions; "integration into the world market and conditions of relative underdevelopment [has] very negative effects on primitive accumulation" (p. 53).

Lack of reference to dispossession within this process shows that accumulation here is considered as that of wealth. Rather than conceiving capital as a relation, both Amin's and Mandel's analyses of primitive accumulation take it as wealth/stock. Therefore, although they underline the continuous character of primitive accumulation, they do not regard primitive accumulation as the constitutive basis of social relations but rather as a consequence of capitalism, like Luxemburg. Both Amin and Mandel focus on unevenness, which they regard as the cause of continuous primitive accumulation. In this sense, primitive accumulation is considered continuous only under the conditions of uneven and combined development. However, its continuity derives from its being the basis of the capital-relation. The following section will clarify this argument, while discussing how the concept responds to contemporary capitalism.

### 4.4. Understanding Present Social Relations

Upon the contemporary interpretations of the concept, Harvey's effect is significant; to the extent that he asserts that not only primitive accumulation but also imperialism has a continuous character, creating a reference point for the analysts of neoliberalism, and that the core of the concept of primitive accumulation derives from the process of dispossession. Therefore, this section will start with examining Harvey's contribution, continue with

mentioning the repercussions of his use of the concept in the literature on neoliberal policies in general, and on neoliberal land enclosures in particular; and conclude with evaluating the contributions of De Angelis, Dalla Costa and Bonefeld to the interpretations of the concept of primitive accumulation.

David Harvey contributes to the debate on the concept of primitive accumulation through his conceptualisation of "accumulation by dispossession" in his book, *The New Imperialism (2003)*. Harvey's objective in this book is to make sense of the current situation of global capitalism and, being a geographer, he attempts to do that from the perspective of "historical geographical materialism" (Harvey, 2004, p. 1). Therefore, he provides the reader with an analysis of neoliberal globalisation, and the new form of imperialism in this era, on the one hand; and with a specific conceptualisation of the space, on the other.

In developing his concept of accumulation by dispossession, which is used interchangeably with the concept of primitive accumulation throughout the book, Harvey departs from Luxemburg's analysis of the process of capitalist accumulation. As already stated above, Luxemburg points to the dependency of capitalism upon non-capitalist areas, in order to overcome the crisis. Harvey agrees with her in that "some sort of 'outside' is necessary for the stabilisation of capitalism", but adds to this idea by stating that "capitalism can either make use of some pre-existing outside (non-capitalist social formations or some sectors within capitalism –such as education- that has not yet been proletarianized) or it can actively manufacture it" (Harvey, 2004, p. 141) Defining the outside of capitalism beyond the limits of non-capitalist social formations and within capitalism is a significant contribution of Harvey; to the extent that primitive accumulation is not realised only in underdeveloped countries or in rural areas in developed countries. His definition of outside, here, is related with the place of spatial dimension in Harvey's analysis, which enables an understanding beyond territoriality. Pointing to the fact that some sectors such as education within developed countries had remained protected from the assault of capitalism and the current form of capitalism eliminated this relative protection, he reformulates the idea of space. Spatial dimension here goes beyond the territorial boundaries of nation-states and allows the analysis of differences within countries, in terms of the level of capitalist development. Harvey introduces the concept of "spatio-temporal fix", in order to account for the crises of capitalist accumulation. He argues that capitalist overaccumulation crises are overcome "through temporal deferral and geographical expansion", that is, capital is in a constant search for a spatio-temporal fix (p. 115). Coming to the limits of the existing fix for capital in

terms of valorisation necessitates the capital surplus to be carried to the other in both time and space in order to get valorised, thus the creation of a new fix. This continuous nature of the search of capital for a fix, in turn, implies the involvement of the process of primitive accumulation permanently; but on the other hand, it points to an understanding of *primitive accumulation as consequence*.

According to Harvey, primitive accumulation includes a wide range of processes, which he lists as the following:

> "the commodification and privatization of land and the forceful expulsion of peasant populations; the conversion of various forms of property rights (common, collective, state etc.) into exclusive private property rights; the commodification of labour power and the suppression of alternative (indigenous) forms of production and consumption; colonial, neo-colonial, and imperial processes of appropriation of assets (including natural resources); the monetization of exchange and taxation, particularly of land; the slave trade; and usury, the national debt, and ultimately the credit system" (Harvey, 2004, p. 145).

Through such a broad description of the concept of primitive accumulation, Harvey takes it out of the historical moment of the emergence of capitalism, and enables an analysis of capitalism as a whole. He underlines the significance of dispossession within the process of primitive accumulation and thus points to the fact that what primitive accumulation entails is dispossession; and this is not limited to the earliest steps of capitalism. On the contrary, accumulation by dispossession is realised repeatedly throughout the history of capitalism. Therefore, it is both a continuous process and something that cannot be thought of separately from the capitalist mode of production. In this sense, Harvey's conceptualisation constitutes a bridge between two interpretations of primitive accumulation, focusing respectively on its continuous character under neoliberalism and its being constitutive of the capital relation. The latter interpretation will be examined in detail below.

Privatisation and financialisation, which mark the neoliberal policies following the late 1970s, are among the mechanisms of primitive accumulation, according to Harvey (Harvey, 2004, pp. 146-148). He states that "[t]he credit system and finance capital became […] major levers of predation, fraud and thievery" (p. 147). Furthermore, private property is now defined in reference to a wider range, as the case of intellectual property rights demonstrates, thus creating the need for recognising what Harvey calls "wholly new mechanisms of accumulation by dispossession" (p. 147). What can be derived from his conceptual framework is that although new mechanisms emerge or older mechanisms are applied in different forms, the underlying principle of the process of primitive accumulation, that is, dispossession, does not change. Like the response of capital in the previous crises of

overaccumulation, the "neoliberal project of privatization of everything" is a response to the crisis of 1973 (p. 149). This process involves dispossession of the welfare rights gained through class struggle in the previous era (p. 148), as well as dispossession of peasants from not only land but also some vital natural resources such as water.

Harvey's depiction of the proletarianisation of the peasantry is very critical, to the extent that he emphasises the existence of consent in addition to coercion within this process. Pre-capitalist structures and relations are suppressed via the use of violence in the process of primitive accumulation; however, they are transformed on a consensual basis for most of the more recent cases. "Primitive accumulation […] entails appropriation and co-optation of pre-existing cultural and social achievements as well as confrontation and supersession", in Harvey's words (2004, p. 146). He concludes -in reference to E. P. Thompson's concept of the making of the working class- that "creation of a homogeneous proletariat" is not guaranteed even under universalised conditions of proletarianisation (Harvey, 2004, pp. 146-147). This implies the resistance coming from the non-capitalist social categories. Enduring commonality of petty commodity production and the recent peasant differentiation in rural areas of Turkey is indicative of the non-homogeneity of the process of proletarianisation, and this partially stems from the resistance/survival mechanisms of the small peasantry. On the other hand, co-optation that accompanies confrontation in recent practices of primitive accumulation creates another tendency for re-homogenisation.[31]

There is a growing body of literature that uses the concept of primitive accumulation in the analysis of neoliberal policies in general. David Harvey's coining the term accumulation by dispossession, which he uses interchangeably with the term of primitive accumulation, in the analysis of neoliberal policies of privatisation and financialisation (2004, pp. 146-148) had a broad repercussion in the literature on neoliberal policies. Privatisation and commodification of assets like land and water as a result of the neoliberal policies became a significant topic, especially among those having an interest in environmental issues (Heynen.et.al, 2007; Roberts, 2008). They call this privatisation process *primitive accumulation*, following different interpretations of Marx that refer in one way or another to its continuous character, or *accumulation by dispossession*, following Harvey or even "neoliberal primitive accumulation" (Glassman, 2007), emphasising its distinctive form

[31] Depoliticisation as a strategy proves a crucial element in current practices of primitive accumulation. Whereas the process of ripping the peasantry off their means of subsistence is itself a political process, the perception that it is realised through and within the non-political realm obstructs the potential political resistance against it, hence feeds in to the consensual basis of transformation.

under the current era. The use of the concept of primitive accumulation in the analysis of consequences of neoliberal policies in the advanced capitalist world shows a clear shift from the traditional understanding of transition from feudalism to capitalism towards the emphasis upon dispossession in the application of the concept. That a wide range of topics from privatisation and commodification of the social security system (Nasser, 2000) to debt and sub-prime mortgages (Sassen, 2010) have been discussed with reference to the concept of primitive accumulation portrays that the process of primitive accumulation is not limited to the period of transition.

The most obvious recent development within the context of neoliberalism analysed with reference to the concept is land-grabbing. The term land-grabbing refers to land acquisitions by especially multinational companies through buying or long-term leasing in the developing countries. Baird analyses the land concessions given to multinational corporations in Laos as a case of primitive accumulation, as the relocated peasantry are forced to sell their labour power under harsh and insecure working conditions (Baird, 2011). Shapan's case study is Bangladesh, and he asserts that primitive accumulation is both a consequence of and a precondition for capitalism (Shapan, 2013). Chandra and Basu analyse the state led land-grabs in India, where Special Economic Zones are created (see also (Levien, 2011) or industrial facilities are established in previously cultivated lands, again as a case of primitive accumulation (Chandra & Basu, 2007). Again, in the analysis of the case of India, Patnaik; and in that of Africa, Moyo, use the concept of primitive accumulation, relating contemporary land-grabs with the agrarian restructuring under neoliberalism (Patnaik & Moyo, 2011).

Land-grabs constitute a significant component of neoliberal restructuring of agriculture, as they refer to land ownership by non-cultivators. However, use of previously cultivated land with purposes other than the production of agricultural crops and the transfer of ownership of the land are only one component of the transformation. Akram-Lodhi discusses market-led agrarian reform under what he calls "neoliberal enclosure" in the South at a broader level, and provides criticisms against two basic assumptions underlying that reform; namely "that land is principally an economic resource and that markets are institutions in which participants are equal" (Akram-Lodhi, 2007, p. 1437). Both land and markets, he argues, "are embedded within wider social processes and relations" (p. 1440). He uses the term enclosure in a different sense to the above mentioned literature; as capital is not a thing but a relation, he asserts, "the emergence of capital through processes of enclosure

reflects deeper processes than simply the transfer of the private ownership of material assets" (p. 1443). Similar to this understanding, this study focuses on not only the change in property relations, but also commodification of subsistence and labour power of the peasantry as well as land; and attempts to contextualise the agricultural transformation within wider and deeper social relations.

The rest of this section will cover the contributions of De Angelis, Dalla Costa and Bonefeld to the concept,[32] and demonstrate how the theoretical underpinnings of the concept of primitive accumulation are utilised within the context of analysing current developments. Whereas De Angelis and Dalla Costa take Harvey's arguments a step further; Bonefeld carries the discussion to a more abstract level by analysing capitalism itself, instead of focusing on neoliberal policies; and emphasises that primitive accumulation is the constitutive basis of capitalism rather than being simply the consequence of it.

De Angelis attempts to account for the neoliberal policies around the world, which involved significant decreases in social spending by the state. He argues that the

[32] These appeared first in the second issue of the journal *The Commoner*, and were then collected into a book in 2008, titled *Subverting the Present: Imagining the Future: Class, Struggle, Commons*. The book also includes a discussion by Zarembka, which is worth including in this chapter as well. However, his clear stance within the classical historical strand makes us exclude his work from this part on the use of the concept in reference to current capitalism. Zarembka rejects the idea that primitive accumulation is an ongoing process. He argues that the concept of primitive accumulation should be reserved for the initial transition from feudalism to capitalism (Zarembka, 2008, p. 67). According to him, the process is a historical one, and conceiving it as trans-historical is "the problem" (p. 68). The basis of Zarembka's formulation of the problem is the clear-cut division he makes between primitive accumulation and accumulation proper. Separation of the labourers from the means of production is their common point; however, the former refers to "historical separation in the rise of capitalism", whereas the latter "centers on separation after the establishment of capitalism" (p. 73). Zarembka finds the use of the adjective primitive unnecessary in the analyses of moments in capitalism other than its rise, to the extent that accumulation proper entails the separation. To begin with, Zarembka criticises Perelman's argument that "primitive accumulation remains a key concept for understanding capitalism -- and not just the particular phase of capitalism associated with the transition from feudalism, but capitalism proper" (Perelman, cited in (Zarembka, 2008, p. 69). According to him, Perelman "simply makes 'separation' as synonymous with 'primitive accumulation'", while accumulation of capital also involves separation (p. 69). Zarembka examines De Angelis' interpretation, as well and appreciates his attempt to differentiate between accumulation and primitive accumulation, with regard to the "conditions and forms in which this separation is implemented" (p. 69). Concerning Bonefeld's analysis, Zarembka again puts forward that Bonefeld makes no distinction between primitive accumulation and accumulation proper (p. 70). In reference to Luxemburg, he argues that what is continuing is separation or dispossession, and that reserving primitive accumulation's historical meaning does not necessarily lead to ignorance of that continuity (pp. 70-71). It is very clear that Zarembka's interpretation of the concept of primitive accumulation takes place in the group of "historical" interpretation, as it applies, for him, only to the rise of capitalism. It is not unfair to place him in the classical camp, to the extent that he states that grasping the continuous nature of separation or dispossession does not necessitate applying the concept of primitive accumulation. Separating the process of primitive accumulation from separation, however, is to hollow out the concept for us. Although he criticises those interpretations mentioned above by being trans-historical, he fails to provide a historical analysis of capital with his *historical* interpretation. "[A]ccumulation presents as a continuous process what in primitive accumulation appears as a distinct historical process; it is the *historical basis* [emphasis added] of capital, is *aufgehoben* in the form of capital and thus forms and informs its concept" (Bonefeld, 2008b, p. 84).

implementation of these policies have taken different forms in different social and economic contexts; however, there is something common in those different implementations in North, South or East, and this commonality can be revealed through a reference to the concept of primitive accumulation (DeAngelis, 2008, p. 27). After summarising the traditional and later interpretations of the concept; he asserts that the core of Marx's concept is the "separation between producers and means of production", and that grasping this would be useful in both "describ[ing its] recurrent nature" and developing the political struggle for "direct access to means of existence" (p. 31).

De Angelis underlines the definition of capital by Marx as a relation, rather than as stock, and argues that the concept of primitive accumulation should be understood in reference to this. In this sense, primitive accumulation is the process of separation of the producers from the means of production, which is a presupposition for the capital-relation (DeAngelis, 2008, p. 32). However, he makes it clear that this process is not limited to primitive accumulation, but is valid for accumulation as well (p. 33). Although the process of separation is common for accumulation and primitive accumulation, on the other hand, what differentiates them is that the latter refers to "ex novo production of the separation", whereas the former to "reproduction –on a greater scale- of the same separation" (p. 35). Furthermore, De Angelis claims that this separation also is the basis of Marx's conceptualisation of alienation, thus constituting a key element in his critique of political economy (pp. 35-36).

It had been stated above that primitive accumulation does not only involve the enclosure movement in England in Marx's conceptualisation, but has taken different forms such as public debt, international credit system and taxes, which De Angelis reminds us of (2008, pp. 36-38). He states that today's capitalism is similar to $18^{th}$-$19^{th}$ century capitalism, as far as the poverty and debt in the Third World are concerned (p. 38). Therefore, the continuous character of the primitive accumulation is closely related with the international division of labour between North and South. What differentiates De Angelis' analysis from those emphasising the imperialistic tendency of capitalist accumulation, and what makes his contribution unique, is that he points to the role of class struggle in the process of primitive accumulation. For him, continuity is not that of the separation only, but also of the resistance against it, that is, "inherent continuity of social conflict" (p. 42). He states that the "temporal dimension includes in principle both the period of the establishment of a capitalist mode of production *and* the preservation and expansion of the capitalist mode of production *any time the producers set themselves as an obstacle to the reproduction of their separation to the*

*means of production"* (pp. 38, emphasis in original). In other words, the continuity derives from the inherent contradiction of the capital-relation, according to De Angelis (p. 44), enabling him to define an "inherent-continuous" interpretation of the concept of primitive accumulation.

Dalla Costa focuses on the area of reproduction and provides a criticism of capitalism through utilising the concept, in reference to very interesting situations where the process of primitive accumulation applies. She departs from "expropriation", "conflictual hierarchies", "inequality and uncertainty" and "polarisation of the production of wealth and poverty", which constitute the "laws of capitalist accumulation", and puts an emphasis upon their continuity today (DallaCosta, 2008, p. 87). She argues, in reference to the changing framework of welfare and economic policies in line with the "directives" of the IMF and World Bank, that "increasingly large sectors of world population are destined to extinction because they are believed to be redundant or inappropriate to the valorisation requirements of capital" (p. 88). According to Dalla Costa, the laws of capitalist accumulation commonise Third World countries and advanced countries. In this sense, she targets the analysis of capitalism, rather than falling into the error of defining different capitalisms for different national economies. Although the specificities of each social formation have a part to play in the process within which capitalist social relations gain dominance; the fundamental principles of these relations do not change.

Among the foundational components of capitalist mode of production is the value form, mentioned above. Production of the surplus value to be expropriated presupposes the divorce of the masses from their means; and parallel to that, valorisation of capital presupposes the same thing. The mass of the population is divorced from the means of not only production, but also subsistence, that is, their own reproduction. Although the surplus value under capitalism is based upon surplus labour time, deepening of exploitation makes the necessary labour time a target of valorisation of capital; that is, there is an increase in the appropriation of relative surplus value. Therefore, social reproduction, reflected in the socially necessary labour time, has increasingly become a target of exploitation; and thus is emphasised by Dalla Costa.

Dalla Costa elaborates upon the "continuous valorisation from waged as well as unwaged labour" (2008, p. 87). Her consideration of the valorisation from the unwaged labour points to the fact that exploitation is not limited to the wage relation, and that capitalist

social relations cannot be grasped through the mere analysis of the immediate and direct relationship between capital and wage labour, as asserted by Bonefeld as well (2008a, p. 54). What matters is the foundation of both, namely the separation. Unwaged labour is always on the edge of the wage relation, to the extent that it is not immune from the divorce from the means of subsistence. Dalla Costa mentions organ trade, slavery and prostitution among the reflections of the destiny to extinction for increasingly larger populations, referred to above (pp. 89-90). She puts a further emphasis upon the "contradiction in woman's condition as an unwaged worker in a wage economy" (p. 90). This contradictory condition resembles that of the peasantry. What can be observed within the context of the Turkish case is the continuing existence of unpaid family labour in agricultural production, on the one hand, and the assault on the subsistence of petty commodity producers in the rural areas through the processes of dispossession and proletarianisation as a result of current developments, on the other. Albeit unpaid, the family labour used in farming is also on the edge of wage relation.

The emphasis upon the foundation of both, rather than the relationship between capital and wage labour, brings us to the contribution of Bonefeld to the concept of primitive accumulation. He asserts that "[e]ach is the precondition of the other" (Bonefeld, 2008a, p. 58); therefore, rather than "the relation between capital and wage labour in its direct and immediate sense", "the social constitution upon which this relationship is founded and through which it subsists" should be accounted for (p. 54).

> "The class antagonism between capital and labour rests on and subsists through the separation of human social practice from its means […] There can be no capitalist accumulation, nor there can be capital or wage labour, without the continued reproduction of the divorce of social labour from her means." (Bonefeld, 2008a, p. 54)

To the extent that this divorce is the foundation of the capital relation, discussing whether it belongs to pre-capitalism or repeated in new places of world as a result of the crises of capitalist accumulation is problematic, though not meaningless. The most significant mistake is to take the existing form as given. Although "primitive accumulation appears suspended in the commodity form" (Bonefeld, 2008a, p. 55), it "persists within the capital relation, as its constitutive pre-positing action" (p. 57).

> "[T]he accumulation of capital presupposes surplus-value; surplus-value presupposes capitalist production; capitalist production presupposes the availability of considerable masses of capital and labour-power in the hands of commodity producers. The whole movement, therefore, seems to turn around in a never-ending circle, which we can only get out of by assuming *a primitive accumulation […] which precedes capitalist accumulation; an accumulation which is not the result of the capitalist mode of production but its point of departure*." (Marx, 1976, pp. 873, italics added)

Making a clear-cut distinction between primitive accumulation and capitalist accumulation leads to an understanding that these are two separate processes, which are in chronological order; and that primitive accumulation should be reserved for only the period of transition to capitalism. When the statement, emphasised in italics above, is read in isolation, it is easy to conclude that primitive accumulation predates and is the starting point of capitalist accumulation. It is only partially correct. Capitalist accumulation is possible only on the basis of continuous reproduction of the class antagonism between capital and labour, continuous reproduction of capital and wage-labour, which in turn presumes continuous reproduction of the process of separation of the masses from their means of existence. "The whole movement" departs from primitive accumulation; but *point of departure* does not necessarily mean that it is simply a result of it. As Bonefeld formulates, "capitalist accumulation is not just based on the results of primitive accumulation but, rather, primitive accumulation is the constitutive presupposition of the class antagonism" (2008a, p. 60). It is not that primitive accumulation fulfils its duty by creating capital and then leaves the scene to capitalist accumulation. The separation process is continuously there under capitalism. "Primitive accumulation is suspended *(aufgehoben)* in capitalist accumulation as its secrete history of constitution" (Bonefeld, 2008b, p. 79). Reserving the concept for only the transition period has implications for the theoretical insight to be gained from Marx's definition of primitive accumulation. As already mentioned above, it lies not in the description of the transition period, but in the analysis of capital as a relation rather than as a stock.

Bonefeld's interpretation of primitive accumulation as a social constitution is based upon a comprehensive rereading of Marx's analysis of capital. Moving from Marx, he reminds us that capital is not a thing but a social relationship (Bonefeld, 2008a, p. 53). It had been asserted above that the distinction between wealth/capital as stock and capital as relation, in other words the distinction between a Smithian and a Marxian understanding of capital, should be the starting point in the attempt to conceptualise the process of primitive accumulation. Bonefeld's basic criticism against the previous interpretations of the concept derives from his emphasis upon the necessity to understand the underlying relations beyond this reification, in parallel to "Marx's insistence on demystification" (p. 59). Also, conceiving the capital as an active subject is not a proper way, but, on the contrary, an obstacle in front of criticising it, according to Bonefeld. Taking the form value assumed under capitalist social relations for granted prevents one from grasping one of the departure points of Marx in his

critique of capitalism, namely commodity fetishism; that is, the appearance of the social relations between humans as the relations between things. What is portrayed by "the mode of existence of human purposeful activity in the form of impersonal relations" is the "perverted form of value" (p. 58), and this perversion has to be demystified for both understanding the capitalist social relations and the struggle for an equal society, where human activity would correspond to human needs.

Bonefeld states clearly that "[p]rimitive accumulation is, in fact, the foundation of capitalist social relations" (2008a, p. 51). He refers to Luxemburg's and Amin's interpretations, where the concept "appears as a continuous inherent feature of capitalist accumulation" as a means to resolve the crises it constantly experiences, but "not constitutive of 'capital's logic' [rather as a mere result of it]" (Bonefeld, 2008a, p. 52). According to Bonefeld, primitive accumulation, though continuous, is not simply the consequence of capitalist accumulation, but is constitutive of capitalist social relations. He criticises both the "historical" and "inherent-continuous" interpretations of the concept by stating that it "is not just the historical premise of capitalist social relations; it is also, and importantly so, the condition and presupposition of the capitalist social relations" (p. 53). This understanding of primitive accumulation as the constitutive basis of the capital-relation underlines its analytical power.

## 5. Conclusion

This chapter aimed at providing a theoretical framework for the analysis of agricultural transformation in Turkey. The transformation process has resulted in a shift away from agriculture, connoting modernisation and development; but beyond that a change in rural social relations. This work revolves around the question of how social relations changed as a result of this restructuring process. The arguments developed in response to this question is that it underlines *constitution of the capital relation in rural Turkey,* as it entailed a three-dimensional commodification process, within which land, subsistence and labour-power of the peasantry are commodified, through separation of the masses from their means of existence. This study attempts to understand the separation dynamic and the means by which that was achieved in the Turkish context, by resorting to the concept of primitive accumulation. Therefore, the main objective of this theoretical framework chapter was to

provide the reader with the origins, history and different interpretations of the concept itself. In this study, primitive accumulation is not regarded as a process only belonging to a distant past, in which capitalist social relations began to become dominant. Also, the idea that primitive accumulation is repeated in different times and places simply as a result of the expansionary nature of capitalism is rejected. Although continuity of primitive accumulation, especially in underdeveloped countries, has been underlined in reference to uneven and combined development under capitalism, its occurrence in a Turkish context within the restructuring of social relations in the countryside cannot be explained simply by regarding it as a consequence of capitalist development. Primitive accumulation is neither finished nor replicated, neither the reason nor the result of capitalism. It is an ongoing process and it is the basic presupposition of the capital relation.

# CHAPTER III: LITERATURE REVIEW

## 1. Introduction

Building upon the argument proposed in the previous chapter that primitive accumulation is continuous and the basic presupposition of the capital relation, this chapter underlines how resorting to that concept as a critical analytical tool in the attempt to account for the current agricultural restructuring in Turkey contributes to the existing literature on the topic.

In Turkey, there were lively discussions around the relation between capitalism and agriculture before 1980s, as part of the effect of the ideas of modernisation and development in general, and of the socialist critique in particular. The Boratav-Erdost Debate, which was summarised in the introduction, had pawed the way for the analysis of capitalist relations gaining dominance in rural Turkey and dissolution/persistence of the small peasantry under these. It had been asserted that petty commodity producers continued to characterise Turkish agriculture until very recently. Small peasantry survived under import substitution industrialisation strategy thanks to the state support mechanisms directed to peasants and agricultural production. Post-1980 policies accelerated dissolution of small peasantry irrevocably. The agrarian structures and rural social relations have changed fundamentally and the restructuring process had a huge impact on the lives of millions of people. However, the dissolution process itself and what happened to small farmers in reality drew a shallow interest, in contrast with the pre-1980 theoretical discussions made about the possible future of peasantry. Decreasing significance of agriculture as a sector in the economy played an important role in this, displaying how the peasant question had actually been understood as part of the development question in the literature.

In 2000s, when the effects of the agricultural restructuring started to be felt, there occurred a revival in the academic interest, but this is accompanied by a shift of focus away from capitalism. Increasing impact of international actors in the agro-food market and elimination of state support mechanisms resulted in the emergence of a new emphasis on self-sufficiency and a weakening state, as a continuation of the nationalist/developmentalist view. In order to overcome the dissolution/persistence duality, the differentiation of small peasantry depending on their different strategies of adaptation to or resistance against the neoliberal policies started to be studied. In addition, globalisation created new research topics like

ecology, agrobiodiversity or environmental sustainability. Although the current agricultural restructuring process is mainly examined by critical scholars, this shift of emphasis contributed to the reproduction of a mainstream understanding of agrarian structures and rural social relations. Under this shift, there is a dire need for development of a critical analytical tool to explain changing social relations and the focus on the concept of primitive accumulation in this work has been developed as a response to this need.

The chapter will start with a review of the scholars who wrote between 1980 and 2000, and then move to the post-2000 works. There is a disconnection between two sets of studies in the more recent works; while the first group prioritises policies, institutions, political and economic developments at the country level, the second one looks at the peasants and specific crops at the local level.[33] These two groups are classified as macro level and micro level studies in this chapter. This classification works well for underlining the fact that while the first group ignore the concrete appearance of the consequences of agricultural restructuring, the second one misses the general picture of the neoliberal transformation. The chapter then focuses on the works of Murat Öztürk, who is dealing with a similar set of questions to this thesis, to emphasise how my study differs from that. Finally, I will underline the originality of this thesis against the reviewed literature and its contribution into that.

## 2. The Literature on post-1980 Turkish Agriculture

Between 1980 and 2000, only a few scholars worked on the topic. After publishing "Agrarian Structures and Capitalism" in 1980 as an end product of the Boratav-Erdost Debate, Boratav continued to write on changing agrarian structures in Turkey, but only as part of his broader analysis of Turkish economy. In his discussion of how agricultural petty commodity producers are exploited, he had defined merchant and usurer as two categories appropriating agricultural surplus in the form of commercial profit and interest (Boratav, 1972). He also proposed a framework for measuring categories of distribution for primary commodities exported by developing countries, and showed the asymmetrical relationship between metropoles and peripheral countries realised through international trade (Boratav, 1977). This constituted a basis for the later discussions in reference to global commodity chains.

[33] While multidisciplinary works gain significance worldwide, Turkish academia suffered from compartmentalisation of social disciplines in the post-1980 period. The disconnection mentioned here stems from this unfortunate distancing of humanities from economic and administrative sciences. Whereas political scientists and economists contributed mostly into the first set of studies, sociologists mostly contributed into the second one in the post-2000 works.

As an economist[34], Boratav continued to contribute to the literature on agrarian change by both producing and critically analysing data on agricultural terms of trade, labour productivity in agriculture, income distribution and resulting rural categories in the post-1980 period. His 1995 article, "From Village Household Surveys to Rural Classes" provides a framework for defining and analysing rural classes based on empirical data[35], which he builds upon in reference to his own previous conceptual works (Boratav, 1995). He defines eight rural classes/groups by looking at three criteria - ownership of means of production, household labour usage and tenancy/sharecropping. The results show that among these categories small peasant is the biggest in both regions; on the other hand, they enable underlining peasant differentiation and also regional differences in rural areas. In "Social Classes and Distribution in Turkey in 1980s", first published in 1991, he analyses the transformation Turkey experienced at the broader level by focusing on the changing class relations; and he portrays state-bourgeoisie relations, changing relations of distribution in the post-1980 period, and the adjustment mechanisms by workers-peasants against the structural adjustment programme (Boratav, 2005). In 1995, he brought together urban and rural structures and contextualised them within the overall transformation in his "Class Profiles from İstanbul and Anatolia" (Boratav, 2004).

A leading figure for rural sociology in Turkey, Mehmet Ecevit was another scholar who made significant contributions to the literature on agrarian change in the post-1980 period. He published "The Dynamics of Change in Rural Turkey: Monograph of the Village Gökçeağaç" in 1999, within which he analyses the long-term change in this village by focusing on the relation between petty commodity production and property structure, land, household labour and capital. The majority of the population of this village from the Black Sea Region are tobacco producers, so this work provides detailed information about the process of dissolution of the feudal structure and the emergence of petty commodity producers, which is very common in tobacco production. However, as the data had been derived from a field work held in 1977 and 1978, it does not cover the post-1980 experiences of tobacco producers (Ecevit, 1999).[36] In the 1990s, Ecevit disseminated the literature on

[34] Alongside his various articles in Turkish and English, he published one of the reference books in its field "Economic History of Turkey" in 1988, covering the period between 1905 and 1985; and he updated and republished this work several times, the last issue being in 2016.

[35] The data used in this article was collected through two surveys held in 1992 and 1994. The first one covers 845 households in 19 villages in Central Anatolia and the second one covers 649 households in 16 villages in the Aegean Region.

[36] The book is based upon Ecevit's PhD research in the University of Kent, "Petty Commodity Production in Turkish Agriculture".

agriculture-capitalism relation, rural class structures and petty commodity production to many students during the rural sociology courses he gave at METU. Also, he led various field researches in this period, although not all of them turned into publications. One significant work to mention is "Socioeconomic Structure of Agriculture in the Aegean Region"; an end product of the project led by Boratav and Ecevit (Boratav, et al., 1994).

Zülküf Aydın emphasised the co-existence of different sets of production relations in south-eastern Turkey, based on his research in two villages, Gisgis and Kalhana, exemplifying a more mechanised, large scale farming and a more traditional, small peasant based agricultural production respectively; and he portrayed the heterogeneous rural structure in line with the underdeveloped structure of Turkey against world capitalism (Aydın, 1986a; Aydın, 1990). Also, he opposed the classical view that expects dissolution of peasantry under capitalism and argued that survival of petty commodity production against capitalism points to the need for alternative theories to explain rural structures in underdeveloped countries (Aydın, 1986b). He underlined the importance of observing the concrete conditions and mechanisms of the penetration of the capital to rural areas in developing alternative explanations, as the rural policies and development projects that result from "the collaboration between the state and the national and international capital fractions" usually blur the exploitative character of this penetration (Aydın, 1986b, p. 211).

Çağlar Keyder put forward the commonality of small peasants and petty commodity production in Turkish agricultural structures, and made this idea known in the English-speaking world as he published mainly in English (Keyder, 1983a; Keyder, 1989; Keyder, 1993). In a study comparing five villages in Turkey, he defines four types of developmental tendencies under the domination of capitalism; and he argues that capitalist farming is historically and geographically limited, whereas the majority of Turkish peasants are petty commodity producers with varying degrees of integration/adaptation to capitalist relations (Keyder, 1983b). He suggests that the peasants who are able to diversify their economic activities would survive, while the poorest section that is unable to do so was "doomed to economic extinction" (ibid, p. 44). His unit of analysis is the village, which leads to an understanding of closed village economies and undermines the relations among villages. This leads him to expect that there would be transfers to urban proletariat from villages rather than proletarianisation within agriculture (ibid, p. 48).

In line with the growing emphasis on food in the world in the 1990s, Zafer Yenal focused on the relation between food and agriculture, the changing food order in the world and the place of Turkey within that (Yenal & Yenal, 1993a; Yenal & Yenal, 1993b). He not

only made historical and sociological analyses of food itself (Yenal, 1996), but also discussed the penetration of multinational food companies into Turkish market in this period (Yenal, 1999). The emphasis on food as the end product of the agricultural production process meant a shift in the emphasis from production to consumption.

After 2000, the literature on Turkish agriculture became richer compared to the previous two decades.[37] The above-mentioned names continued to contribute to the literature, while a younger generation started to be interested in the topic, as the transformation became more visible, especially after 2010. Keyder & Yenal (2011a; 2011b; 2013) underlined regional differences in response to globalisation of food and agriculture; they put forward that the peasants in coastal areas managed to combine farming with part-time wage employment thanks to different sources of income like tourism and maintained their lives in the countryside, despite the rapid de-ruralisation and dispossession in most of the country as devastating effects of the neoliberal turn on agriculture. Agricultural transformation continued to be a part of Boratav's economic analyses, but he called sociologists to explore the destructive effects of the developments he studied such as decreasing prices and shrinking employment (Boratav, 2009). In this respect, by both maintaining the theoretical debates

[37] Between 1980 and 2000, the interest in the topic was not enough for the production of several collective publications. Pamuk & Toprak (1988) published "Türkiye'de Tarımsal Yapılar (1923-2000) (Agrarian Structures in Turkey)" following a symposium organised by Turkish Social Sciences Association in 1987. Despite its assertive title that implies that the book has a projection for the future, it includes rather a historical analysis of the agrarian structures beginning from the establishment of Turkish Republic up until 1980s. Only one article mentioned the possible consequences of biotechnology in 2000 and argued that Turkish agriculture cannot be competitive in world market even when the existing state supports continue, unless the technology used in developed countries is followed by Turkey, (Kazgan, 1988, p. 270). In 2005, Yavuz edited "Türkiye'de Tarım" (Agriculture in Turkey), which was published by Ministry of Agriculture and Rural Affairs. Having a rather descriptive approach, the book covered topics like history and structure of Turkish agriculture, policies, rural development and institutions (Yavuz, 2005). The journal Toplum ve Bilim allocated its Spring 2001 issue (88) to agriculture, but the transformation had not really been kick started then; and its December 2016 issue (138/139) mostly covered the themes that have become popular in the post-transformation period such as ecology, green economy, organic farming, biopolitics. In 2009, the journal Mülkiye (Vol 33, Issue 262) brought together different articles on transformation of agriculture; most of which reflected the journal's nationalist/developmentalist perspective. After 2010, a few edited books were published on the topic. For example, "Rethinking Structural Reform in Turkish Agriculture: Beyond the World Bank's Strategy" (Karapınar, et al., 2010), "Türkiye'de Tarımın Ekonomi Politiği (1923-2013) (Political Economy of Agriculture in Turkey)" (Oral, 2013), "Köylülükten Sonra Tarım: Osmanlıdan Günümüze Çiftçinin İlgası ve Şirketleşme (Agriculture after Peasantry: Extinction of Farmer and Commercialisation from Ottoman to Today)" (Aysu & Kayaoğlu, 2014). The first one mainly aimed to question whether the ARIP was successful in transforming Turkish agriculture, but beyond that it offers "a new, multidimensional policy agenda encompassing the economic, environmental, technology, trade and law aspects of agricultural and rural development" (Karapınar, et al., 2010, p. 8), therefore it involves a wide range of themes. The other two not only include historical analyses of agrarian structures in Turkey, but also deal with the neoliberal transformation of agriculture by focusing on various aspects of it thanks to the contributions of scholars from various disciplines. It should be noted that some scholars who are highlighted in the chapter contributed to nearly all of these collective works, and revised versions of the same articles have repeatedly been published, showing how narrow the academic circle around the research topic has been. The more recent contributions from the younger generations have selectively been included in the literature review.

through workshops[38] and engaging with the field in different parts of Turkey, Ecevit himself and his students were among the limited number of scholars who wrote on agriculture and rural transformation in this period.[39] They emphasised the backwardness of capitalist relations in general and of agricultural relations in particular, and suggested that the survival of petty commodity producers under increasing commodification depends upon de-valorisation of household labour (Ecevit, 2006, pp. 346-347; Ecevit, et al., 2009, pp. 46-50). This, deepening of self-exploitation, is defined as a survival strategy of the peasants by Aydın (2001), based upon a study in two villages, Tuzburgazı and Kınık. He had then anticipated that the consequences of the structural adjustment policies would be very destructive for the peasantry (Aydın, 2001, p. 30); and at the end of the decade, he published the oft-cited article, "Neoliberal Transformation of Turkish Agriculture", within which he gave a general overview of the neoliberal policies and paved the way for the more recent studies (Aydın, 2010).

Transformation of agriculture under neoliberalism has been a topic of interest for critical scholars. Therefore, one common view among most of the recent studies was that the new policies of privatisation, deregulation and marketisation resulted in the retreat of the state and affected Turkish agriculture and Turkish peasantry negatively. Given the fact that the majority of Turkish peasants were small farmers and dependent upon the state support mechanisms to maintain both agricultural production and their own livelihood; it is not surprising to find the negative correlation between state support and the dissolution of Turkish agriculture/peasantry in these studies. However, focusing on the policies at the macro level, without explaining the transforming rural relations, rendered these studies more descriptive. Furthermore, the understanding of a retreating state contributed to the reproduction of the state-market dichotomy under neoliberalism, while the state played an active role during the process.

Although the critique of the neoliberal policies contains a position against deepening of capitalist relations, because these policies promoted further marketisation; the emphasis upon the elimination of the support mechanisms and institutions that were peculiar to the import substitution industrialisation era implies a call for a rather nationalist and developmentalist solution for the negative consequences of agricultural transformation. Oyan (2002) warns against a new rural to urban migration wave as a result of contracting state

[38] I had the chance to participate in one of these research groups called "Social Character of Capitalism" between 2010 and 2012, and gained important insights from the discussions.
[39] Only five theses (all MSc) were written on this topic within the sociology discipline between 1970 and 2009, and four of them were supervised by Ecevit (Özuğurlu, 2011, p. 22).

support and proposes a nation-focused decision making process to alleviate the burden on the peasantry. Günaydın (2010) emphasises how these new policies rendered Turkish agriculture dependent upon foreign sources, while Turkey had previously been a self-sufficient country. Similarly, Oral defines the globalised food and agriculture with reference to the "dominance of multinational companies" (2013b), and contract farming to the "institutionalisation of global imperialism" (2013c). For Aysu (2014) as well, the strengthening of transnational companies in the Turkish market meant a loss of national sovereignty, while the link between the peasants and the state was broken as agricultural SEEs were privatised and ASCUs lost their previous functions. It is obvious that what led these scholars to take a nationalist position was the role of international organisations, namely WTO, IMF and World Bank, and also the EU in both shaping and implementation of the neoliberal policies in Turkish agriculture. However, positing national capitalism as the lesser evil while criticising neoliberal policies shifts the emphasis away from changing class relations in rural areas. The national-international dichotomy existing in the literature on agricultural transformation is a continuing effect of the developmentalist perspective discussed in the theory chapter. Turkey being a developing country determines the pace and the content of rural transformation, and the asymmetry between countries under global capitalism has to be underlined in any analysis of social and economic changes within a single country. Nevertheless, an over-emphasis on this dichotomy results in an understanding of rural transformation as part of the development problematic, even when the uneven character of capitalist development is underlined.

As part of the effect of globalisation on agriculture, and as a result of the changing character of the agricultural production process, new themes started to attract scholars. For example, Özkaya (2013) discussed international monopolisation of seeds, increasing numbers of private and multinational corporations in Turkish seed markets and negative impacts of this on the peasantry. In the post-1980 period, not only its market, but also the seed itself was transformed. The use of genetically modified organisms was criticised for harm on human health and agrobiodiversity, as well as on national food sovereignty (Atalık, 2013); also exclusion of the peasantry in the process of the governance of GMOs through institutionalisation of intellectual property rights was criticised (Aksoy, 2016). It was underlined that the small farmers in developing countries increasingly lose their autonomy over farming, as a result of the implementation of intellectual property rights by multinational corporations, combined with the growing knowledge gap between developing and developed countries (Karapınar & Temmerman, 2010), and also implementation of standards for the trade of agricultural crops (Jusoh, 2010). Considering the multidimensional effects of

globalisation is important, but these studies suggest for policy reforms to alleviate the existing rural inequalities, instead of developing a critical understanding of it based on changing class relations.

To the extent that these studies prioritised the policies and changing institutional structure, rather than the concrete appearance of changing social relations; they remained at the macro level. Similarly, exemplifying an analysis of sectoral institutional change in late developers, Güven (2009) discussed how implementation of neoliberal policies in Turkish agriculture has been determined by the institutional persistence. He argued that continuity of the populist-corporatist agricultural support regime combined with the changes in the macro environment hindered radical institutional reform and neoliberal policies created rather a hybrid regime in the end (Güven, 2009, p. 21). In her comparative analysis of agricultural policy reforms in Turkey and the EU, Akkaraca points to rural poverty and underdevelopment and suggests a balance between protectionist policies and policies of liberalisation in response to the problems of rural development (Akkaraca-Köse, 2012). Bor (2013) viewed the agrarian transformation from the perspective of changing power relations in agricultural markets, as state dominancy is replaced by private monopolies. Although the changes at the macro level give significant clues for the content of agricultural transformation, an emphasis on the changing relations also requires looking at the micro level.

Before moving to the micro level studies, one significant name to mention is Önal. By looking at the developments at the broader political economic level and doing this without ignoring the transformation in regards to the agrarian question itself, he analysed the history of Turkish agriculture beginning with the Ottoman Empire period up until 2010 (Önal, 2012). What makes his study a distinctive one within the literature is his emphasis upon capitalism as such, despite the general appeal to a narrowing focus on neoliberalism. He frames the effects of neoliberal policies in reference to the continuing encounter between capitalism and agriculture in Turkey, which he grounds on his historical analysis of the last 150 years (Önal, 2012, p. 193). Nevertheless, his study lacks an understanding of the continuity of primitive accumulation throughout this encounter, which could have further strengthened his contribution.

In recent years, some micro level studies have been published that shifted the focus from policies, the position of the state and the broader market-level changes to the lives of the peasantry. For instance, Borlu (2015) analysed the experience of small-scale maize farmers in Sakarya, Manisa and İzmir; but he put forward that the concept of accumulation by

dispossession is insufficient. He argues that the new character of participation of small farmers in the agricultural market under increasing financialisation could be explained rather by "entrepreneurial exploitation", where small farmers survived through their entrepreneurship but also were easily exploited given their lesser bargaining power (Borlu, 2015). The direct confrontation between small farmers and multinational agribusiness, in the absence of an arbitrating state, was underlined within the studies focusing on contract farming. In his study on tomato producers in Bursa, Ulukan (2009) portrays how contract farming deepens the differentiation between small and bigger producers; small producers struggle with debts and continue agricultural production only by deepening their self-exploitation. He also underlines that agro-food production has become a significant field for capital accumulation, capital here referring to a thing to be accumulated (Ulukan, 2009, p. 266). Teoman and Tartıcı (2012) define contract farming as an instrument for penetration of capitalism into agriculture as it may affect class positions of the peasantry through the control over production. According to their anticipation, the indebtedness that the small peasants struggle with would lead to deepening of inter-class differentiation and to proletarianisation, if that results in selling lands; therefore, they call for an active state policy for organising peasants around cooperatives to "slow down" the process (Teoman & Tartıcı, 2012, p. 177).

Although contract farming, through which small peasants confront with multinational corporations, is a new phenomenon and contributes to the establishment of wage relation in rural Turkey; seasonal agricultural workers have constituted a part of peasantry who worked based on daily wages for a long period of time. Çınar (2014) discusses the recent rural transformation in reference to its effect on the transition from sharecropping to seasonal work, and asserts that seasonal agricultural workers can be understood better as a form of "attached labour" instead of free labour. She presents the factors of attachment/dependence as intermediaries, debt, kinship, patriarchy and inequality; based on her fieldwork with seasonal apricot workers in Malatya (Çınar, 2014). Yıldırım (2015) addresses proletarianisation within agriculture through the example of seasonal hazelnut workers in Sakarya. He reviews the history of seasonal agricultural labour in Turkey, and underlines how forced migration in Southeastern Turkey, as well as dissolution of subsistence farming under neoliberal transformation, plays a role for the recent form of it, as Kurdish peasants constitute a significant portion of hazelnut workers in Sakarya, which is located in western part of the country (Yıldırım, 2015).

Each crop has a different story. Therefore; the scholars who carried out fieldworks in different parts of Turkey preferred to narrow their studies down to one agricultural crop, this

gave them the opportunity to deepen their analyses. Among various agricultural crops produced in Turkey, tobacco has a special place; because not only did the neoliberal transformation affect millions of tobacco producers and workers of TEKEL factories, but also privatisation of TEKEL created the famous TEKEL Resistance following a long period of silence on the side of Turkish workers. Ertürk-Keskin and Yaman-Öztürk (2013) published a book on the transformation of tobacco from the Ottoman Empire to today, within which they provided both a historical account of tobacco and the concrete effect of privatisation of TEKEL in Samsun. They found that tobacco producers no longer engage in tobacco farming and younger generations have migrated to bigger cities (Keskin & Yaman, 2013, pp. 494-497), while previous workers of TEKEL factories have gained a political consciousness through struggle during their resistance against the privatisation process (ibid, p. 536). As TEKEL was the state monopoly for not only tobacco and tobacco products but also alcoholic beverages; grape producers were also highly affected by the privatisation process. Based on her study with grape producers in Çanakkale, Saka (2014) analysed how petty commodity production was affected from the neoliberal transformation. She puts forward that persistence of petty commodity producers is possible only by deeper involvement in commodity relations, which perversely leads to dispossession; and peasants experience differentiation depending on the level of commoditization but they are homogenized by devalorisation of their labour (Saka, 2014, p. 108).

One unique study within the literature on Turkish agriculture in the recent period was Metin Özuğurlu's "Capital Trap for Small Peasantry". It includes a fieldwork in 24 villages from 10 different cities along Turkey. It questions resistance and readaptation capacity of small peasants rather than their dissolution; as a result, it focuses on production process, forward and backward links of production, land use and property relations, household labour and forms of labour use, instead of the transforming effects of state and market on agrarian structures (Özuğurlu, 2011, pp. 10-11). The study concludes that the fact that the small peasants can persist only by deepening their subjection to capital turns out to be a capital trap for petty commodity production; and that the differentiation among small peasants who devalorise their labour through different channels creates the potential for repeasantation as well as proletarianisation (Özuğurlu, 2011, p. 116).[40] Underlining peasant differentiation, Özuğurlu categorises peasant households as excess population, village-based proletarian, traditional small peasant, traditional petty commodity producer, new petty commodity

[40] Saka's study has a similar conclusion, because Saka was herself involved in the project conducted by Özuğurlu.

producer, traditional and new capitalist farmer (2011, pp. 91-102). The emphasis on especially the inner differentiation of small peasantry provides a unique contribution to the literature, where differing effects of the broader neoliberal transformation process on peasants have heavily been ignored. Part of this study was devoted to a review of the academic knowledge produced within Turkey between 1970 and 2009, and portrays how the interest in agrarian change decreased in this period (Özuğurlu, 2011, pp. 20-22). Another extensive study had been held by Huricihan İslamoğlu (2008), including 7 products and 715 interviews in various regions of Turkey. Although this study too reveals the inequality among peasants; it has interesting conclusions such as farmers especially younger generation prefer not to migrate and are "enthusiastic" to adapt to market conditions, that they demand facilitation of access to market to better integrate with the world or that implementation of right policies may create competitiveness for agricultural products (İslamoğlu, et al., 2008, pp. 636-644). On the one hand, the study does not have a critical stance in terms of the capitalism-agriculture relationship, as the use of neoclassical economic terms like household economy, farmer, income, poverty or productivity throughout the study shows. On the other hand, the effects of the neoliberal transformation process were not yet tangible in rural Turkey at the time of this study. It is important to note that both of these studies were results of long-term projects, financially supported by TÜBİTAK.[41] Covering such an extensive scope of agricultural crop variety and regional differences is impossible for an individual researcher.

There is not enough data on how small peasants who are excluded from agricultural production lose their lands. The micro-level studies (İslamoğlu, et al., 2008, pp. 636-644; Özuğurlu, 2011, p. 148) show that the peasants are not necessarily dispossessed in the sense that they are separated from their lands through selling them out, apart from forced migration in Southeastern Turkey. The peasants regard their lands as a guarantee for their future or these lands have very low value or they are unable to sell because of their bank credits. However, the land has been heavily commodified through neoliberal restructuring, which means that the peasant has still been separated from the land, and this needs to be explained. The change in the meaning of land in this period is analysed in this thesis. A contribution towards this attempt to account for land commodification came from Atasoy (2016). She underlines increasing state control over common lands through practices like cadastre modernisation, land registration or land consolidation; and argues that the state reconfigures

[41] İslamoğlu led the TÜBİTAK Project titled "Transformation in Agriculture and Processes of Integration with Global Markets in Turkey", which involved 7 researchers, between 2006 and 2008; and Özuğurlu led the TÜBİTAK Project titled "Structural Transformation in Turkish Agriculture: Resistance and Readaptation Patterns of Small Peasantry", which involved 5 researchers, between 2007 and 2009.

land use for agricultural production and housing, and thereby deepens commodification without necessarily causing dispossession; and in some cases creating repossession for the urban poor as in urban renewal programmes[42] (Atasoy, 2016). Commodification of land has also been discussed within the context of ecology in line with the changing global agenda. While Hoşgör, Ece and Konak (2016) criticise global climate change policies, specifically green energy investments through Hydroelectric Dam Projects in Turkey, considering these as part of land -and water[43]- grabbing; Ertör (2016) argues that the discourse of food security creates new enclosures as in the example of fish farms; and Döner (2016) underlines dispossession of small farmers as a result of transfer of the land to non-agricultural owners as in the example of mega projects. It is surprising how these ever-increasingly wild processes of separation of the peasant from the land do not remind the authors of the process of primitive accumulation.

Murat Öztürk (2012) published a book on transformation of agriculture and peasantry under neoliberalism in Turkey; as he deals with a similar set of questions focusing on the same time period and on the same country, a detailed review of his works will be provided in this section.[44] Emphasizing the changing relations between these two concepts as a result of neoliberal policies, he examines agriculture and peasantry as distinct entities, since "rural based populations no longer live solely or even primarily off the land, while, people living off the land no longer necessarily live in villages" (Öztürk, 2012, p. 32). He argues that most of the poor population lives in rural areas, rural to urban migration and also the neoliberal policies created further poverty for peasants, and therefore the main theme around which he discusses the recent transformation is poverty (Öztürk, 2012, p. 33). In the first part of the book, he provides a selective[45] reading of the agrarian question and its change under globalisation, drawing mainly on the works of Bernstein, McMichael and Van Der Ploeg; he then reviews the developments in Turkish agriculture. He concludes that the agrarian question should be addressed as a global rather than a national issue as suggested by Bernstein and McMichael, to the extent that the role of international institutions in shaping

[42] The state provides housing through TOKİ (Turkish Housing Development Administration) for former gecekondu or village dwellers. Gecekondu refers to illegally built houses of previous rural-urban migrants.
[43] See also Üstün (2014) on commodification of water and the significance of local resistance against it.
[44] Whereas his book can be classified under macro level studies, the later articles and the research project those articles are based upon exemplify micro level studies.
[45] It is surprising how he mentions the agrarian question or more specifically the transition from pre-capitalist forms of production to dominance of capitalism in reference to Boratav or the perception of peasantry in Lenin and Kautsky in reference to citations in Aydın's work, or the forms of peasant liquidation in reference to a citation in Ulukan's work, a presentation of an original fieldwork, of which the theoretical review constituted a short section (Öztürk, 2012, pp. 45-46).

neoliberal policies and of multinational corporations in Turkish agro-food market are taken into consideration (Öztürk, 2012, p. 124). Another conclusion is that although the changes in Turkish agriculture involves "dissolution of peasantry… and enhanced domination of capitalism in agriculture"; the persistence of peasants represented in the "combination of traditional petty farming with income gained from non-agricultural activities and sources" requires a "different approach to that of the classical labour/capital critique" (Öztürk, 2012, p. 124). According to Öztürk, the mechanisms used by the peasants to adapt to changing market conditions, such as off-farm working, diversification of crops, integrating new technologies into farming and animal husbandry, trying to keep their lands in hand and to maintain their lives by resorting to solidarity can be explained by "rural people's striving for resistance and autonomy as conceptualised by Van der Ploeg" (ibid). This autonomy in turn offers a theoretical way out of the *labour/capital critique*, in his words; however, he soon admits that "in spite of the coping mechanisms mentioned, an important part of the peasantry has joined the ranks of the reserve army of labour" (Öztürk, 2012, p. 125).

This final point brings Öztürk to the emphasis on poverty in the second part of the book. He puts forward that "fresh approaches" are necessary in the post-1980 period to account for the recent developments in Turkish agriculture (Öztürk, 2012, p. 137), as the Marxist variant of the modernisation approach used in the 1970s no longer explains the agricultural transformation (pp. 129-131), while rural areas and the peasantry are experiencing a post-modernisation process (pp. 132-133). He discusses the neoliberal approach to poverty (pp. 165-177), and then questions whether the measures implemented to overcome poverty in the Turkish case such as social aids were in fact successful in alleviating rural poverty (pp. 193-201). He calls for active intervention by the Turkish state and his suggestions include "supporting functions for rural areas not only for cultivation but also as living area spaces for the old and retired; the reconfiguration of agriculture in ways and products which will create employment without giving up the goal of new methods and fertility; the establishment of industries based on agriculture in rural areas; and the development of urban agriculture" (Öztürk, 2012, p. 203). Although Öztürk himself underlines that the dynamics of production could be "considered from the perspective of social relations" (2012, p. 32), his application of the mainstream concept of poverty brings limitations to his analysis; since his use of the term social relations refers to interpersonal rather than class relations. For example, in his analysis, capital is not understood as a social relation but as wealth, as a thing to be accumulated, which can be seen by looking into how he applies the term "capital accumulation" throughout his work (Öztürk, 2012, pp. 54, 79, 91,

125, 145, 148). He describes the transformation within an economy, that is, the "emergence, on the one hand, of peasants turning into workers having to sell their labour force after having lost their land, and on the other, of capitalist farmers"; however, he does not use the concept of primitive accumulation, but presents this as a development to be expected when capital accumulation starts (Öztürk, 2012, p. 45). He even attributes a positive meaning to capital accumulation by peasants, as the expressions such as "means for capital accumulation" (p. 145) or "possibilities exist for capital accumulation" (p. 148) show; because he apparently takes it as the opposite of poverty. He also puts forward that

> "just as capital accumulation in agriculture may take place in different forms, so also may peasants display varying characteristics and behaviour. In the process of capital accumulation, rural populations (peasants) are transformed into employers or wage labourers, and while some remain domicile and occupied in rural agriculture, the majority are expected to move to urban centres for employment since the demand for labour is more pronounced there […] Those peasants who accumulate capital as smallholders and become employer-farmers have a rather different choice, of whether to keep their assets in farming or move them out of farming" (Öztürk, 2012, p. 53).

The same process affects different groups within the peasantry in different ways, they respond to it differently, and it is important to recognise peasant differentiation in this sense to better account for the transformation. Nevertheless, positing varying consequences as a matter of choice/behaviours shifts the emphasis from class to individual; and the argument that capital accumulation could take different forms masks the gist of primitive accumulation; that is, the separation of the masses from their means of subsistence.

Öztürk takes the idea that "the behaviour and the fate of the peasant crucially determines the fate of the village" (2012, p. 53) a step further in a later article that is co-authored with Hilton and Jongerden.[46] In an attempt to overcome the binary oppositions of rural-urban and movement-settlement, they propose a dialectical approach to account for the restructuring of peasants and villages in Turkey (Öztürk, et al., 2014a). They argue that the peasants do not simply migrate to urban areas, but the new forms of mobility including counterurban, village return or transrural movements necessitate a more comprehensive understanding of migration for which they develop the concepts of "dual settlement" and "multiplace hybrid life" (Öztürk, et al., 2014a, pp. 374-382). Accordingly, they develop a typology of new villages in Turkey following the neoliberal restructuring, that includes

[46] This study draws from the unpublished, 2012-dated research project titled "Dynamics of Changes in Rural and Agriculture in Turkey after the 1980s", which is funded by Kadir Has University, İstanbul (Öztürk, et al., 2014a, p. 386 note 1). Data collection involves two phases; first, focus groups with villagers in 25 villages and in-depth interviews with Ministry of Agriculture district office managers and agricultural input sellers/product traders in 18 provinces, second, interviews with 436 village households and a village-based questionnaire (Öztürk, et al., 2014a, p. 370).

"agricultural, semi-seasonal semi-agricultural, semi-agricultural, retirement/summer, suburban, ex-agro industrial, emptied and moribund villages" (Öztürk, et al., 2014a, pp. 382-383). The village is no longer defined simply as the space of agricultural production, so too is the peasant who diversifies both his sources of income and his space of living as its actor.

In another article authored together with the same scholars, Öztürk develops a more critical stance. They use the term commodification, which was non-existent in Öztürk's 2012 dated work, and look for the ways through which the smallholders resist commodification as part of their response to neoliberal restructuring (Öztürk, et al., 2014b).[47] They argue that the peasants maintain traditional practices, develop new skills and localised market relations, diversify their incomes and form extended (rural-urban) settlement structures; and thereby gain a new form of autonomy (Öztürk, et al., 2014b, pp. 339-340). They suggest that the contemporary peasant way, as different from subsistence farming of the previous period, involves a dual-circuit (p. 348), where the commodity circuit is combined with non-commodity ones as peasants also maintain "social ties and networks", "non-capital defined social relations", which the authors regard as commons (p. 343). The concept of primitive accumulation does not appear at all in this article either. Their emphasis is on the complexity of commodification, because they aim to propose "an alternative reading" of developments in contrast to what they see as the "depressing" apprehension of the commodification process affecting Turkish peasantry (p. 362); however, this approach conceals the destructive impact of the separation of the masses from their means of subsistence.

## 3. Conclusion: Originality of the Thesis

In the literature on agrarian change in Turkey, there is a clear shift in emphasis from 1980s onwards; the old question of capitalism-agriculture relationship left its place to new themes. The macro level studies focused on policies, institutions and economic development. The continuity of nationalist and developmentalist tendencies in most of these studies limited their critical apprehension of the transformation, resulting in an ignorance of the changing social relations. They taking the retreat of the state as given, and the call for policy reforms or re-involvement by the state to alleviate the negative consequences of the transformation concealed the fact that the state has actually been there in the realisation of the processes of primitive accumulation. On the other hand, micro level studies provided significant

[47] This article too draws from the above mentioned research project.

information on the fields they focus on without, however, contextualising the changes in social relations, as they ignored the broader political and economic dynamics. In addition, since each crop and each region has its own specificities, and since also most articles look at only one aspect of the transformation like contract farming, land commodification or migration, these studies provide only a partial understanding of the general picture.

I aspire to move the focus back to agriculture-capitalism relationship; therefore, emphasize the capital-relation itself, while contextualising the agricultural restructuring within the general transformation of the country in the post-1980 period. In order to avoid the trap of the development problematic while going back to that relationship, I resort to the concept of primitive accumulation, which, in my opinion, has a great explanatory power for the case in hand. I argue that the agricultural restructuring involved a three-dimensional commodification process, within which the land, the reproduction and the labour power of the peasantry have been commodified. These cannot be comprehended in exclusion of each other and the concept of primitive accumulation is a very useful tool for such an integrated approach to all aspects of the transformation. The main contribution of this work to the existing literature is its proposal of the use of this concept in the analysis of current agricultural restructuring process that meant the separation of the masses from their means of existence. Thereby, I aim to provide a new framework, within which new critical studies can be undertaken, by critically linking the agricultural transformation with an ongoing constitution of capitalism, instead of complaining about the negative impacts of neoliberalism on peasants.

Furthermore, by analysing the mechanisms of state involvement in marketisation of the agricultural sector and in facilitation of the three-dimensional commodification process, this work contributes to the discussions on the changing role of the state. The post-1980 period is generally regarded as an undifferentiated block in the literature. Through further periodisation of this period, I reveal that the strength of the state matters in the direction of transformation, and stress the peculiarity of the 2000s in terms of the intensification and institutionalisation of the process. I do not only provide a detailed analysis of political economy for each sub-period, but also analyse the policies and the legal framework in conjunction with the changes in production process, property relations and rural social composition, thereby taking a step to reduce the disconnection between the two sets of studies in the existing literature.

The next chapter outlines the historical background of the case for the analyses of the agricultural restructuring in Turkey from the 1980s, by discussing the main characteristics of and significant developments regarding agrarian structures in Turkey up until 1980.

# CHAPTER IV: HISTORICAL BACKGROUND

## 1. Introduction

In this chapter, the historical background of the case analysed in this study will be provided. Understanding the agrarian change that is happening in the 2000s in Turkey requires having an adequate knowledge of the characteristics of Turkish agrarian structures prior to this change. In order to meet this requirement, this chapter will deal with those characteristics from a historical perspective and cover the period between 1923 and 1980.

The historical background will be discussed under four sections; each referring to consecutive time periods divided based on broader political and economic developments in the country. The first section will cover the period between 1923 and 1939, and introduce the formation of agrarian structures in the early years of the republic. Upon briefly mentioning the Ottoman legacy in this formation process, it will move to the 1920s and review the decade with a focus on agriculture. Then, the effects of the Great Depression, which closed the decade, and the long-lasting land reform debate, which marked the 1930s, will be examined. The second section will address the Second World War years, namely the period between 1939 and 1945 and touch upon the issues of changing state-market relations under war economy conditions, implementation of taxes, the place of the agricultural sector in the economy during the war years in terms of capital accumulation and the first wave of migration from rural areas to urban centres. The third section will focus on the period between 1945 and 1960, within which Turkey experienced a process of integration with the post war world economy, and discuss the Land Law targeting landless farmers, Marshall Plan and resulting mechanisation of agricultural production, the second wave of migration from rural to urban areas, and the vibrant character of the period in terms of rural polarisation. The fourth section will deal with the period between 1960 and 1980, within which Turkey followed an import-substituting industrialisation model. This period is characterised by the implementation of agricultural support policies, and the resulting closed and state-backed rural economy, end of the land reform debate and a relative stagnation in terms of rural class composition.

## 2. Agrarian Structures in Early Years of the Republic (1923-1939)

This section aims to portray the agrarian structures during the early years of the republic between 1923 and 1939. However, before going into that, it will briefly touch upon the Ottoman legacy that was transferred to the republican period. This is necessary not only to have an idea about the agricultural landscape of the country, but also to underline the fact that development of capitalism dates back to the period prior to the establishment of the republic (Akşin, 2002, pp. 56-58; Boratav, 2002, p. 297).

By the end of the 19th century,[48] Ottoman foreign trade and the contribution of European capital in railroad and other infrastructure investments in the Ottoman Empire had expanded significantly (Pamuk, 1987, p. 82). Encountering European capitalism through foreign trade relations and incoming investments[49] resulted in an accompanying expansion in commodity production; export-based production of agricultural crops had already started the process of commercialisation of the agriculture in Ottoman context. Quataert notes that the agricultural exports had increased exceptionally by 1914, and crop mix was both different and richer compared to 1880 (1994, p. 843). However, commercialisation was very limited and was experienced unevenly among different regions within the Empire. It was mainly Western Anatolia that engaged in trade relations with Europe, thanks to its fertile lands and appropriate location near the main ports (Pamuk, 2005, p. 122; Köymen, 2008, p. 108).

That the shift from subsistence to export crops was limited and at a very slow pace under Ottoman Empire –and in fact until recently- is strongly related to the existing dominant agrarian structures based on small peasantry (Keyder, 1987, p. 30). An exceptional increase in exports by the end of 19th century was enabled through "extension" of the agricultural production rather than its "intensification"; since neither productivity nor technology improved under the Ottoman Empire (Quataert, 1994, p. 843). Therefore, despite the expansion of commodity production, Ottoman agriculture was characterised by small farmers, who produced on small plots of lands, for subsistence rather than export, with low productivity levels and backward methods. During the 19th century, a significant part of

[48] Keyder (1987, p. 29) puts forward that the "first important step in institutionalising the Empire's integration into the political-economic logic of European capitalism was the trade convention of 1838 with England". According to Faroqhi, (2004, p. 214) "there was an 'Ottoman world economy' in its own right" by the end of 16th century. He refers to the presence of foreigners as traders, whose activities led to "piecemal integration" into the world economy (ibid).

[49] For Keyder, a third mechanism was debt; starting with the first official loan of 1854 during the Crimean War, followed by twelve other loans until the Empire announced its bankruptcy and Public Debt Administration was established in 1881 with a strong control over government finance (Keyder, 1987, p. 39).

agricultural production for the market was made by small and middle-sized holdings (Pamuk, 2005, p. 103).

Having acknowledged that the majority of farmers in the Ottoman Empire were the small peasantry, we need to underline that they were not immune from exploitative relationships. Beyond the improvement of trade relations, there were significant steps towards a change in property relations as well. In 1858, The Land Code was enacted, which enabled provision of lands to individuals.[50] In this sense, it provided the definition and legal infrastructure of private property in land. Furthermore, the law attempted to establish this new form of property in rural Turkey; and thus constituted a significant part of the process of development of capitalism carried out by the state itself (Önal, 2012, p. 57). Arıcanlı argues that this Code has no relationship with the emergence of big land ownership, and that state was so strong that there were no clashes between local landholders and the peasantry (2013, p. 137). However, numbers from the Agricultural Census of 1912-1913 show the unjust distribution of land following the enactment of this law. According to that Census, 1% of total families owned 39% of lands, whereas 87% of the families owned 35%; and the majority of the peasantry were holding such small portions of lands that they were unable to subsist on that land, and thus had to work in large estate holders' lands as well (Köymen, 2008, pp. 107-108). Therefore, big landlords, together with *mültezim*[51](tax-farmers), merchants and usurers[52], constituted the appropriators of the rural social surplus; and these groups had intricate relationships with each other; in some cases, the same people playing all of these roles (Önal, 2012, p. 70). Rural inequality was hence a part of the Ottoman legacy for the republican period.[53]

In the aftermath of World War I and the Turkish War of Independence that resulted in the dissolution of the Ottoman Empire and establishment of the Republic in 1923; the first

[50] In Ottoman Empire, all lands are recognised to be owned by the state and cultivators have the right to use these state (*miri*) lands and pay their taxes in return in the form of crops. The Law introduces a title deed to be held by individuals to legally use these lands. It involves two different characteristics leading to two different interpretations of the law by the scholars. On the one hand, it underlines "an un-modern and pre-capitalist" state that seeks control over rural production and maintenance of taxes, on the other hand, "displays the modern and capitalist aspects of the evolving Ottoman state" as land transfers was an inevitable consequence of the law (Quataert, 1994, p. 858). See Arıcanlı (2013) for a different interpretation of the Land Law with reference to how the use of the concept of private property is misleading.

[51] *Aşar* (tithe) tax was the most important source of revenue for the Empire and was collected in the form of agricultural surplus. It was *mültezim*, who became responsible for collecting this; after the disintegration of the previous *timar* system. These tax farmers "not only reduced the state's share of the surplus but increased the rates of exploitation of the direct producers" (Pamuk, 1987, p. 89).

[52] For a detailed analysis of merchants-usurers as surplus appropriating categories for petty commodity production in agriculture, see Boratav (1980, pp. 26-32).

[53] These inequalities were not without resistance against them. Protest, most commonly peasant avoidance from performing duties or paying taxes, was part of everyday life, denotes Quataert (1994, p. 876).

objective was to restructure the war-torn economy. Achieving a kind of national capitalism while restructuring the economy was a target for the actors of the bourgeois-revolutionary movement, namely CUP (Committee of Union and Progress)[54] members and Kemalists; however, there were serious obstacles in front of this target, such as lack of domestic industry or weakness of domestic bourgeoisie (Boratav, 2002, pp. 300-302). In the absence of these factors, Turkey's integration with capitalism had been on an uneven basis. This unevenness is reflected not only in varying degrees of integration with the world economy in different regions within Turkey, but also in the continuous disintegration-reintegration dynamic throughout republican history.

In line with the target of the builders of Turkish Republic, the idea of *national economy*, dominant in the İzmir Economic Congress of 1923[55], was assigning the state the role of raising national capitalists. In this sense, it reflects continuity with the late Ottoman period in economic terms, despite the fact that 1923 represented a political rupture (Boratav, 2002, pp. 310-311). It was decided in İzmir Economic Congress that the *aşar* tax (tithe) – collected by *mültezim* (tax-farmers) in the form of a certain portion of crops- would be eliminated, and this decision was implemented on February 15, 1925. Large landholders' participation in Congress was effective in this decision. From the perspective of small peasantry, on the other hand, elimination of this tax had two consequences. Firstly, as their product is no longer collected in the form of tax, but is sold at a price in the market; the share of *mültezim* –thus of the state- was taken over by the merchant capitalists in the form of profit (Boratav, 2002, p. 319). This transition in the form of surplus transfer through the elimination of *aşar* tax contributed to the maintenance of exploitative relationships in rural areas instead of alleviating them. Furthermore, it should be kept in mind that these two groups overlap in a good number of cases. Secondly, that the form of agricultural surplus changes -from crop to value- points to the small peasantry's encounter with capitalist relations of production.

Agriculture was the driving sector in achieving development during the post-war reconstruction period (Boratav, 2002, p. 318; Günaydın, 2010, p. 160). Between 1924 and 1929, the average annual growth rate of agricultural output was 16.2%, which was far above the GNP growth rate of 10.9% and almost double the industrial growth rate of 8.5% (Boratav,

[54] CUP started as a secret organisation, then formed a political party; constituted a significant part of the opposition of the time known broadly as Young Turks; contributed to the initiation of the Second Constitutionalist Period between 1908 and 1918 and became the party in power as well. For the Young Turk Restoration, see Keyder (1987, pp. 49-69).

[55] The first economic congress of the new republic was held between 17/2-4/3/1923 in İzmir; 1135 members from farmers, merchants, industrialists and workers participated in the Congress, where the basics of Turkish economic development were discussed.

2002, p. 318). State policies of the 1920s had aimed at increasing the level of agricultural production, in compliance with the development-driving role of the sector (Köymen, 2008, pp. 116-119). Expansion of cultivated lands and mechanisation of agriculture were promoted through legal regulations. In addition, production of commercial crops was promoted through the provision of Ziraat Bank credits.[56] The Cadastre Law of 1925 and Civil Code of 1926 consolidated private ownership of lands.[57] These policies were useful in achieving the target of increasing agricultural production. On the other hand, however, they deepened the unequal rural structure, as it was mostly the big landlords, who benefitted from those policies (Köymen, 2008, p. 109).[58]

Whereas the years between 1923 and 1929 are characterised by export oriented agricultural production; the following decade witnessed import substitution, based upon the private sector between 1929 and 1932, and upon the state between 1932 and 1939 (Sönmez, 2013, pp. 12-14). After the Great Depression of 1929, prices of agricultural crops decreased significantly. This led to the transition to a protectionist-étatist industrialisation period in Turkey (Boratav, 2002, p. 321) in general, and adoption of parallel measures for the agricultural sector in particular. The incentives of the previous period mentioned above were eliminated. As the prices of not only agricultural crops but also animals and lands decreased in this period, small peasants –men- had to leave their villages and migrate to bigger cities to find a job and feed their families still living in the village (Köymen, 2008, pp. 122-123). The negative impact of the Great Depression was felt by the majority of the population, as Turkey had a mainly agrarian economy.[59] Under these circumstances, the 1930s are marked by the *land reform* debate. The government aimed to distribute lands to landless peasants; however, the opposition coming from landowning members of parliament was so strong that it took more than a decade before a law on land distribution was enacted. The law itself will be discussed in the next part. It is yet worth noting that this debate in parliament provides

[56] Ziraat Bank is the state-owned Agricultural Bank of Turkey that had been founded in 1888 under the Ottoman Empire. On 23/3/1916, a new law was enacted regarding the Bank; Article 1 of which states that the Bank was founded in order to provide convenience to the farmers and help agriculture develop. After the establishment of the Republic, both the branch network and credit facilities of the Bank were extended for financing a quicker recovery following the war conditions. (ZiraatBank, 2016)

[57] Cadastre Law numbered 658 entered into force in 1925; however cadastral work progressed very slowly throughout the republican history. The significance of the law comes from the fact that it was the first legal regulation regarding the property-based cadastre. In 1926, the Civil Code numbered 743 was made, inspired by the Swiss Civil Code. Besides regulating civil relationships, the Law underlined the need for sound recording of properties in resolution of family/inheritance-related disputes.

[58] During these years, living out of the village, having their lands cultivated through sharecropping and engaging in trade and usury were the defining characteristics of big landlords (Köymen, 2008, pp. 109-113).

[59] In 1930, more than 76.5% of the population was still living in rural areas and the agricultural sector constituted 47.1% of GNP.

significant knowledge about the power of landlords. The opposing parliamentarians were among the founders of the Democrat Party, which would end the one-party regime in 1950. Another significance of the debate is the fact that the clash was basically about the kind of land that will be distributed. Landowners were not against the reform as long as the distributed lands were limited to public ones. This shows how the idea of private ownership of land was settled as early as the 1930s.

To sum up, the agricultural sector played an important role in the early years of the republic, in terms of its contribution to the economic development of the country. However, an inequality embedded in the agrarian structures lay behind that importance. The majority of agricultural producers were small farmers, but big landowners also had a considerable economic and political power. The capital relation began to be established in rural Turkey in this period; through introduction of private property and transition in the form of appropriation from crops to commercial profits, resulting dominance of exchange value over use value, and the intricate relationship between the state and appropriating classes.

## 3. War Years (1939-1945)

Although Turkey did not participate in the Second World War, the course of development of the Turkish economy was affected by the war and experienced an "interruption" (Boratav, 2002, p. 333). During these years, the number of men who were kept under recruitment as a precaution brought about a decrease in the numbers of male labour force available for agricultural production. This situation inevitably led to a decrease in the level of agricultural production; furthermore, the state had to buy a high amount of wheat to feed the army (Önal, 2012, p. 92). Limited supply of and high demand for wheat caused wheat prices to rise; given the restricted amount of production, the rise in prices was felt in most of the agricultural crops (Boratav, 2002, p. 337). In this sense, the war years reversed the situation in the post-Great Depression period, which had witnessed significantly diminishing prices.

It was mentioned above that diminishing prices of agricultural crops had resulted in the obligation to sell labour power in non-agricultural sectors for the small peasantry, who were unable to subsist on agricultural production. That war years reversed the prices, however, does not necessarily mean that the situation of the small peasantry was also reversed. On the contrary, it was again big landlords and commercial capitalists who benefitted from the price increase (Boratav, 2013a, p. 41; Köymen, 2008, p. 133). Besides

having the necessary resources to organise a high level of production, the ability to speculate on grains on the black-market gave these two groups the chance to turn the situation in the war years into an opportunity; generating a significant rise in agriculture-based capital accumulation.

Looking at the National Protection Law of 1940, through which the burden was placed on the small peasantry, would clarify the unequal distribution of the effect of the shortage. The law redefines the relationship between the state and agricultural market. According to this law, the state gains the authority to determine prices and to seize not only the product but also the land, in case of necessity. The extent of the appropriation is shaped by local power relations (Pamuk, 1988, p. 103). For example, the state could take all of the animals of the peasants who owned lands less than 40 decares; whereas big landowners had the right to keep two oxes per 40 decares (Önal, 2012, p. 93). The law gave the state the right to intervene in the market of agricultural inputs and outputs. Being one of the core inputs of the agricultural production process, the labour power of the peasantry was also targeted by the law. It was expected of the small peasantry that they work in the lands of big landlords in case of necessity. Therefore, bringing their labour power into use becomes a legal obligation for the peasantry, in addition to being an economic imperative. This shows that the exceptional economic conditions resulting from the world war provided a good opportunity for further penetration of capitalist relations in rural Turkey. What is more, this law points clearly to the active role played by the state in this penetration process.

Profiteering during the war years created social unrest. In order to alleviate the reactions coming from society, the state introduced new measures to tax the wealthy. The Wealth Tax of 1942 was among these measures. The objective of the law was a one-time tax on the wealth gained from inflation and black-marketeering; but it failed to serve to this end (Köymen, 2008, p. 134). In practice, it ended up transferring the assets of non-Muslim minorities to national landlords and merchants. 87% of tax payers were minorities; they were taxed ten times more than Turkish people, and had to work in Aşkale working camp if they failed to pay (ibid). After the abolition of the Wealth Tax in 1944, the Agricultural Products Tax was introduced with the objective of taxing the wealth in rural areas gained by large property owners during the war years. However, in practice, those who were taxed were again the small peasantry, not the big landlords. In this sense, it resembled the *aşar* tax

(Koçak, 2002, p. 171).[60] This inequality regarding the implementation of the tax resulted from the intricate power relations in the rural areas.

One of the significant developments of this period was the migration to İstanbul and this first wave of migration was two dimensional. On the one hand, workers were flowing to İstanbul to meet the need for workforce there; on the other hand, merchants and rich peasants were flowing to the city to enjoy it and also to make investments there (Köymen, 2008, p. 133). The big landlords gained a more urban and bourgeois character in this period (Önal, 2012, p. 99). The new form of rich peasants, when combined with new regulations and conditions forcing smaller peasants to work and thereby deepening the wage relation, points to the fact that rural class composition was transforming and that capitalist relations were becoming more tangible in rural Turkey. Although the war years caused an interruption in economic development in general, they also created an opportunity for further constitution of capitalist relations.

## 4. Integration with the World Economy (1945-1960)

Following World War II, Turkey experienced two significant transitions; one in the political realm, from one-party regime to multiparty[61] parliamentary regime; another in the economic realm, from protectionist policies to an open economy based on free trade (Boratav, 2010a, pp. 93-94). Whereas the country was once again integrating with the world economy in this period, it was simultaneously going through a process of democratisation domestically. The path of integration was framed by the Cold War conjuncture, within which Turkey clearly sided with the US; that is, took part in the capitalist world. It became a member of the IMF and the IBRD in 1947 and signed the GATT in 1953. This marked the beginning of an enduring relationship with Bretton Woods institutions. On the other hand, transitioning to a multiparty system resulted in a change in the party in power for the first time in republican history; when the Democrat Party that had a large electorate among the rural population won the election on 14 May 1950.[62]

[60] Similar to *aşar*, this tax demanded that farmers pay a certain percentage of their produce –either in kind or in cash-, but, unlike *aşar*, this was to be paid directly to the state, rather than via intermediaries.

[61] The National Development Party was founded on 5 September 1945 and the Democrat Party on 7 January 1946. The first general election under the multiparty system was held in 1946.

[62] The victory of the Democrat Party under the leadership of Menderes points to a rupture in the political history of the country (Keyder, 1987, p. 124). The slogan the DP used in its election campaign, namely "Enough! The

One important development of this period regarding agriculture was the consequence of the land reform debate. The long-lasting debate that had marked the 1930s fed into the enactment of a law in 1945 called "The Law of Making Landless Farmers Land-Owners" – hereafter referred to as the "Land Law". As an attempt to change the unequal structure of agricultural property relations, the law is meaningful in understanding the transformations that agrarian structures in Turkey went through. The objectives of the law were "to make landless farmers or farmers with small lands or those who want to engage in farming land-owners, to provide those in need with capital and equipment, and to make sure that the lands of the country are continuously cultivated" (Kayıkçı, 2009, pp. 56-57). The lands to be distributed to farmers included unused public lands, common lands that exceeded the necessary amount for the use of peasants, un-owned lands, and private lands that were to be confiscated. Article 17 of the draft law regulated the right of sharecroppers, renters and agricultural workers, who were landless or owned small lands, to own a part of the land they were cultivating (Kayıkçı, 2009, p. 58). The Land Law was very radical in general, but the latter article has an outstanding place in the whole draft. The general idea of turning the small peasantry into land-owners could have changed the whole unequal structure in rural areas, by dissolving the power of big landowners (Önal, 2012, p. 107). The idea of becoming the owner of the land you are cultivating moves even beyond that; relating ownership directly with the capacity to produce. It is in contrast with the definition of private property under capitalism. It can be put forward that what made the Kemalist cadres, who had taken an active part in the development of capitalism, draft this law was the international conjuncture; the fear of a possible socialist revolution which would be led by poor peasants (p. 105).

Ironically, opponents of the law regarded the land reform as "an intervention that could cause socialism" (Önal, 2012, p. 105). As it was already mentioned above, the opponents included big landowning parliamentarians, who later founded the Democrat Party. Both the radical nature of the law and the strength of the opposition against it prevented its implementation in practice. A change made in the Land Law in 1950 added a provision on prioritising public lands among the lands to be distributed (Kayıkçı, 2009, p. 59). In this way, the law that was considered as a harsh assault on private property became ineffective. Therefore, the land reform debate could not create a significant change, and "the alliance

nation has the word!" presented the Party as representing the national will against the elitist RPP. DP had a considerable number of supporters among peasantry - not only big landowners but also small peasants. See Atılgan (2015, pp. 421-422). DP and Menderes have long been regarded "as the first government to understand and respond to the aspirations of the rural population" (Pamuk, 2008, p. 282). Representing the national will and fighting against the so-called elitist status quo would become one of the main arguments of the JDP rule.

between urban bourgeoisie and big landlords that maintain pre-capitalist structures and relations of exploitation inherent in those structures continued under DP government" in the following years (Önal, 2012, p. 110). The next decade was characterised by agricultural reform, which targeted increasing agricultural production without changing property relations, unlike the land reform (Kayıkçı, 2009, p. 60).

Having electoral support from the peasantry, the DP government attached a particular importance to agricultural development. Although land distribution did not result in eliminating inequalities; distribution of state-owned lands enabled the expansion of the cultivated area (Pamuk, 2008, p. 281). Agricultural production increased so much that economic growth in the early 1950s is accounted for by the agricultural boom (ibid). What characterises 1950s Turkish agriculture is an unprecedented mechanisation, as a result of the integration of Turkey with the restructuring post-war world economy. Turkey was included in the Marshall Plan[63], which was designed for the reconstruction of Western Europe, in 1948. Within the framework of the Marshall Plan, mechanisation of agriculture, use of artificial fertilisers and modern techniques in agricultural production were promoted; and credits were provided to peasants thanks to the resources transferred to Turkey. This would cause a proliferation of production for the market and make the country specialise in the export of agricultural products (Ulukan, 2009, p. 102). Between 1948 and 1951; 46,398,000 US dollars were spent directly on agriculture. The most important impact of the Marshall Plan on Turkish agriculture was the introduction of tractors. The number of tractors in the country increased from 1,065 in 1940 to 16,585 in 1950 (Kayıkçı, 2009, p. 64). The resulting mechanisation of agriculture brought about a rise in the size of cultivated lands and the amount of crops produced. In addition, it paved the way to commercialisation and specialisation in industrial cash crops (Aktan, 1957, p. 282). Besides its quantitative impact, mechanisation also had a qualitative effect on Turkish agrarian structures.[64] It is directly related to a polarisation of the peasantry; creating capitalist farmers on the one hand, and rural proletariat on the other (Kayıkçı, 2009, p. 66). However, despite this direct relationship,

[63] After the end of World War II, in 1948, the United States developed the European Recovery Program, widely known as the Marshall Plan, through which it provided Western European countries with financial aid for not only rebuilding their economies but also increasing integration, thereby containing socialism.

[64] Rather than being an end in itself and targeting only improvement of agricultural production, mechanisation of agriculture has meant a breaking point in modernisation history. "Hence the ultimate importance of mechanization of agriculture in Turkey rests in the chain of reactions it has started, and in the subsequent diversification of village life. From the viewpoint of the nation as a whole this means the spread of activity and progress into the villages, and it must be interpreted as a major aspect of the country's overall drive for modernization and Westernization" (Karpat, 1960, p. 103).

mechanisation did not immediately result in dispossession, migration and proletarianisation in the 1950s (Gürel, 2011, p. 204). Yet, although the sharpening of rural polarisation would require a longer time period for Turkey, it can rightfully be suggested that agrarian structures went through a significant transformation process towards capitalism during the 1950s, as a consequence of the rapid mechanisation of agricultural production.

Big landowners equipped with tractors began to gain high profits from modernised agricultural production. Mechanisation went hand in hand with buying more lands, thus causing land consolidation (Köymen, 2008, pp. 136-137). The rich farmers, who were benefitting most from the mechanisation process, turned back to their villages; also previous merchants and craftsmen, who used to live in towns or cities, settled in the villages and started to engage in farming in this period (p. 137). In this sense, the 1950s were in contrast with the 1940s. From the perspective of small peasantry, however, the direction of migration was again from villages to urban centres. Introduction of tractors that rendered agricultural production process less labour-intensive, when combined with land consolidation, made those previously engaging in sharecropping unemployed. These people had to migrate to cities and work in other sectors. Total rural to urban migration between 1950 and 1960 was 1.5 million people - 600,000 being to the four largest cities - and this mobility brought about a "brutal confrontation" between rural and urban populations (Keyder, 1987, p. 137). Cities were not more welcoming than the villages for the small peasantry. As an American researcher had predicted in 1949; lack of rapid industrialisation[65] which would counter balance the rapid agricultural mechanisation, made the proletarianisation process more difficult for the peasantry (Köymen, 2008, p. 135). Given the absence of developed industries in cities, peasants either turned into construction workers or joined to the reserve army of labour (p. 138).

To sum up, within the period between 1945 and 1960 rural class composition changed as peasant differentiation started to take the form of polarisation between owners of the means of production and owners of solely the labour power. Within this period, the proportion of rural population decreased from 75.1% to 68.1%; the migration wave as a consequence of intensive mechanisation accounts for this decline. The cultivated area

[65] On the other hand, the mobility experienced in this period as a result of agricultural development and also of development of the road network laid the foundation for the emergence of the domestic manufacturing bourgeoisie who started their businesses or achieved great accumulation in the 1950s (Keyder, 1987, p. 137).

doubled (TURKSTAT, 2014, p. 181), agricultural production in general expanded significantly and capitalist relations penetrated into rural Turkey.

## 5. Import Substitution Industrialisation Period (1960-1980)

This period started with the first military coup of the republican history, which overthrew the Democrat Party government on May 27th, 1960. On 30 September 1960, the State Planning Organisation (SPO) was established. The Introduction of Development Plans was regulated in the 1961 Constitution, and, following 1963, this institution started to prepare five-year development plans to manage and promote industrialisation and develop capacity in line with needs and consumption levels. As evident in the introduction of development plans, the period following 1960 in Turkey is marked by the attempt to achieve the rapid industrialisation process that was lacking in the previous period as mentioned above. This planning process, however, mostly excluded the agricultural sector (Pamuk, 2008, p. 283). Another area regulated by the 1961 Constitution is the status of the working class, as it bestowed the right to organise in trade unions and to strike.[66] Keyder argues that this resulted from the worldwide rise of social democracy combined with bureaucratic reformism from above; since these rights were "handed out to workers" and were in parallel with the requirements of the new accumulation model (1987, pp. 148-149).[67]

Beginning in the early 1960s, Turkey started to follow an import substituting industrialisation (ISI) strategy. Its main characteristics are protection of domestic industry, "which develops to produce the very manufactures hitherto imported", and creation of a domestic market (Keyder, 1987, p. 151). While it aims for the development of a national bourgeoisie[68], it does not necessarily mean a lesser degree of integration with the world economy or rejection of foreign capital; since imports still worked as inputs for domestic industrial production (ibid). ISI represents a shift in accumulation strategy, within which industrial capital would replace the predominance of agricultural and merchant capital (Ulukan, 2009, p. 105). In contrast with what could be expected, however, internal terms of

[66] Confederation of Revolutionary Trade Unions (DİSK) was established in 1967 and led the workers' movement in the 1970s.
[67] He also notes that being organised and enjoying higher wages in this period defines only one third of the working class (Keyder, 1987, p. 161).
[68] Turkish Industry and Business Association (TÜSİAD) was established only in 1971.

trade favoured the agricultural sector in this period –at least until 1977 (Boratav, 2010a, p. 136). Agricultural products also served as inputs to the industrial sector. Beyond that, the state implemented populist policies throughout the period, in line with the protectionist character of the ISI model. These policies included input subsidies, support purchases, price supports, credit supports and infrastructure services. In other words, although the sector was not prioritised in the development plans; "politicisation" of economic allocation rather than through market mechanisms, contributed to the continuation of support mechanisms to the peasantry (Keyder, 1987, pp. 148, 150, 158). The ratio of rural population in the total population decreased from 68.1% in 1960 to 56.2% in 1980 (Oral, 2013, p. 446). Despite the decrease in the proportion (which reflects continuous modernisation) the rural population was still nominally increasing within this period; and by 1980, the majority of the Turkish population was still living in rural areas.

Boratav argues that the ISI strategy was a result of the balance between the long-term interests of the power bloc consisting of big landlords, merchant and industrial capitalists, (who had to give concessions to masses within the context of multiparty parliamentary regime) and the short term interests of the latter (2002, p. 357). In this sense, the period between 1960 and 1980 was characterised by the populist policies implemented by the state towards the masses. Masses here include both the workers and the peasantry. On the one hand, there was a significant increase in wages and employment –especially in the state economic enterprises (SEEs). On the other hand, the agricultural products were marketed through agricultural sales cooperatives and state monopolies in the agricultural crops –TEKEL, TŞFAŞ and ÇAYKUR (monopolies in tobacco, sugar and tea sectors, respectively)-, creating increased prices, thus bringing about higher prices received by farmers (Boratav, 2002, p. 358). As it was mentioned above, the agricultural sector as a whole benefitted from these populist policies - which included minimum prices, support purchases by the state, credits provided by Ziraat Bank, input and marketing supports through cooperatives. Boratav suggests that the agrarian structures remained the same, despite the relative increase in the well-being of farmers in general (p. 358). The two components of this suggestion, namely on the agrarian structures and well-being of farmers, will be discussed separately below.

Although it is obvious that the state policies pursued between 1960 and 1980 favoured the agricultural sector as a whole; that these policies increased the well-being of all kinds of farmers is disputable. It is argued that the support policies that were implemented throughout the import substitution industrialisation process mainly served the interests of big farmers,

rather than being distributed evenly among all peasantry (Köymen, 2008, pp. 143-144; Akad, 2013, p. 109; Önal, 2012, pp. 130-131). As it is common sense to define the 1960-1980 period as the years of prosperity for the small peasantry - an idea that has significant implications for the role of the state - looking at the effect of support policies in more detail is worthy. Analysing enterprise sizes and marketing proportions of the producers of two crops, namely wheat and cotton, Köymen concludes that the support price policy favours only the bigger farmers (2008, pp. 142-143). A study conducted by SPO reinforces her conclusion, by portraying that those wheat producers with lands less than 25 decares, who constituted 58.9% of all enterprises, experienced losses as a result of these policies, as they were forced to buy the wheat for their own consumption at higher prices (p. 144). Akad draws attention to the agricultural sales and credit cooperatives, which served the interests of merchants and rich farmers, in contrast with their names' connotation (2013, p. 97). Similarly, Önal mentions the fact that Ziraat Bank credits were based upon property; and he points to the uneven distribution of credits in general, increasing small farmers' dependency upon usurers (2012, p. 131). It can be argued that the condition for benefitting from the supporting mechanisms developed by the state in this period was engaging in such an amount of production that exceeds subsistence production and is marketed. In this sense, middle farmers, who were able to feed themselves and sell a portion of their products, and rich farmers benefitted from the support mechanisms; whereas the poor were affected negatively.

The amount of production that one could engage in is, in turn, directly related to the ownership of the means of production. Ability to subsist off the land the peasants own depends on the size of that land. The land amount for minimum subsistence was 70 decares in the early 1970s[69]. For wheat, achieving a marketable amount required at least 100 decares and less than one fifth of wheat producers had such large lands (Köymen, 2008, p. 143). Therefore, the support mechanisms inevitably deepened rural inequality, as they were not accompanied by the necessary land reform. This brings us back to the issue of the remaining agrarian structures and property relations. The period between 1960 and 1980 witnessed a further shift away from the idea of land reform. Beginning from the early 1960s, the term land reform started to be used in conjunction with the term agricultural reform. The latter appears in the discussions of law-making processes, legal texts themselves, government programmes and development plans, throughout the period (Kayıkçı, 2009, pp. 92-109). The

[69] According to the Agricultural Census of 1970, 72.8% of the holdings were sized 1-50 decares (Oral, 2013, p. 457).

main distinction between land reform and agricultural reform is their respective references to social justice and productivity. Whereas land reform targeted a more equal distribution of lands and thus a change in the rural property structure; agricultural reform targets an increase both in the amount and the quality of the production. This new understanding of rural reform found its expression during the discussions for the draft law and the resulting text called Land and Agricultural Reform Law, numbered 1757, enacted in 1973. This law also abolished the 1945 Land Law, which had already become ineffective. Although the terms land reform and agricultural reform are both used together in discourse, the content of the legal regulations prioritised the latter. The focus is upon productivity, rather than social justice; reforming agricultural production is defined as the main objective, while reforming the existing property relations is defined both as a side goal and in an ambiguous manner (pp. 101-102). Therefore, this shift towards the discourse of agricultural reform emptied the concept of land reform of its essential meaning. The long-lasting land reform debate, thus, took a new form and lost its real meaning in the period between 1960 and 1980, before it disappeared for good after 1980.

Another thing that would disappear following the 1980s was the general interest in peasantry. It had already been suggested that the ISI strategy and the parallel involvement of the state in the economy in this period were the consequences of the search for a balance among the demands coming from different sections of society. The agricultural support policies and the broader interest in the peasantry can be better understood when considered within the context of domestic and external class struggle dynamics. To begin with, the international conjuncture continued to be shaped by the Cold War, as in the previous period; the Vietnam War being a key issue in this period. The most significant lesson learned through the defeat of the US in Vietnam was the fact that the peasantry has a great revolutionary potential; hence the World Bank investment in agricultural transformation projects in capitalist countries (Önal, 2012, p. 125). Besides the credits transferred to developing capitalist countries, this investment included an ideological component through a recalling of Chayanovian peasant economy theory[70], on the one hand, and promotion of Green Revolution[71] technology, on the other (p. 126). In Chayanov's theory, peasant families constitute profit-maximising economic units, which are isolated from the dynamics of social change surrounding them; providing a suitable model for an anti-communist peasantry

[70] On Chayanovian peasant economy, see Harrison (1977), Bernstein (2009a) and Bernstein & Byres (2001).
[71] This term refers to the development and spread of new technologies to increase agricultural production. It was coined by a former USAID director in 1968; in contrast with the Red Revolution by the USSR.

understanding. The Green Revolution aims at increasing agricultural productivity, feeding into the shift towards agricultural reform discussed above.

Domestic class struggle dynamics, too, had an important effect on the state policies pursued in this period. Whereas the conditions of the small peasantry were deteriorating, their level of class consciousness was improving. Turkey witnessed land occupations in the 1960s, although the extent of this movement was very limited (Aysu, 2014, pp. 637-648). By the 1970s, the working class movement had become so strong that the peasantry's joining to the working class became something to be avoided for the state. Given the fact that the support policies favoured the big landlords rather than the small peasantry, the state had to find another way to avoid potential peasant politicisation. The Village Development Cooperatives, which were established in 1969 and proliferated in the 1970s, were brought about by that search for an alternative. The members of these cooperatives are "disconnected with the land, the crop, and the cooperative itself"; they act like shareholders of a company, which implements –most of the time unsuccessful- projects, the yield of which would be distributed among them (Akad, 2013, pp. 95-96). Just like the agricultural sales and credits cooperatives, the village development cooperatives constituted mechanisms through which state supports are transferred to big landlords, strengthening the cooperation among appropriating classes (p. 97). As the village cooperatives were unrelated to production, and provided the peasantry with almost no profit, let alone a structural change in property relations; they contributed to a change in the meaning of the concept of cooperative in this period (p. 96). In parallel with the precautions taken at the global level against a potential peasant politicisation, the state in Turkey was eliminating all possibilities for an organised movement by the already disorganised small peasantry.

Looking back from the post-1980 period in Turkey, the previous periods –especially that between 1960 and 1980- create the illusion that the peasantry enjoyed prosperity as a result of state supports. This could be true to some extent, given the fact that the agricultural sector as a whole benefitted from the policies of the time. On the other hand, however, rural inequalities did not disappear, and even deepened. The uniqueness of this period comes from the state's ability to control the process of dissolution of the small peasantry. The Village Development Cooperatives was among the mechanisms the state used to increase this very ability. They turned into workforce export institutions via which the peasants were sent to Germany. In this way, the small peasantry, who have detached from the land, are prevented from joining working masses in cities; and are instead sent directly abroad (Önal, 2012, p.

132). This contributes to the solution of two problems at the same time, Germany's need for workforce and Turkey's need for a controlled dissolution process. Another illusion of this period is dominance of the state over the market, as if they constitute separate entities external to each other. As a continuation of what happened throughout the history of capitalism in Turkey, market relations were deepened further in this period; hence the need to contain those who were affected negatively by this deepening process (Akad, 2013, p. 95). Therefore, this period is instructive in terms of the role of the state in the constitution of capitalist relations.

One final point that should be touched upon in this part is the decrease in the general interest in villages and peasantry by the end of this period. Throughout the 1960s, the peasant dynamic was considered very crucial by revolutionary youth. The workers' resistance on 15-16 June 1970, execution of the young leftist leaders following the 12 March 1971 coup by memorandum, and the increasing power of DİSK mid 1970s onwards caused the disappearance of the dynamic of peasantry from the agenda of leftist circles (Önal, 2012, pp. 134-135). On the other hand, big land owners who had already entered into the process of becoming bourgeois in the previous periods gained a more urbanised character in this period, and started to invest in other sectors (p. 135).

In the 1970s, political turmoil was accompanied by economic instability. Following the 1973 oil crisis, while many industrialised countries adjusted their economies in line with a shift toward export-led growth, Turkey continued with populist policies based on external borrowing, which caused a severe balance of payments crisis by the end of the decade (Pamuk, 2008, p. 285). Fragile coalition governments throughout the 1970s also prevented this shift; which required a strong and long-term government (ibid). How the country experienced the shift from ISI to an export-oriented growth model under a strong government and in a stable political environment in the 1980s will be clarified in the next chapter.

## 6. Conclusion

This chapter aimed at providing a historical background of Turkish agriculture by covering the period between 1923 and 1980. From the establishment of the republic onwards, Turkey's direction towards capitalism was clear. Some parts of Turkey had already had strong trade

relations with the capitalist world economy in the late Ottoman period. The republican period represented a further commitment to the constitution of capitalist social relations. Being a developing or rather a late capitalist country, Turkey experienced the capitalist development in its uneven and combined character. Rural areas lagged behind the urban areas, and there was a further unevenness within rural areas. Nevertheless, the argument that some regions remained untouched by capitalism for long years collapses when the overall change in the social relations of production is considered.

Introduction of private property, centralisation of land ownership, increasing significance of production for the market –at some points surpassing that of subsistence production, increasing polarisation of the peasantry, commodification of labour power of the peasantry either in the agricultural sector or increasingly in other sectors all point to the establishment of capitalist social relations within the period covered in this chapter. As discussed in the theoretical framework chapter, the understanding of constitution of capitalism –rather than transition to capitalism- enables us to better explain the long-term process of constitution experienced in the Turkish case. What differentiates the period between 1923 and 1980 from the post 1980 period is the active involvement of the state in this constitution process. Whereas the state continued to involve itself in this process in the latter period as well, by providing the infrastructure of a direct confrontation between the appropriating and labouring classes; it acted as a visible hand in the former one.

# CHAPTER V: ECONOMIC RESTRUCTURING OF POLITICAL POWER IN THE 1980s

## 1. Introduction

Having defined the basics for this research in the introduction chapter, established the theoretical framework in the second chapter, provided a critical review of relevant literature with reference to contribution of this study in the third chapter, and gone over the historical background of the case in hand in the previous chapter; we can now turn to the analysis of the agricultural restructuring process in Turkey; which started in 1980 but was deepened and institutionalised only in the first decade of the 2000s. The post-1980 period witnessed a gradual resolution of the long-lasting tension between agriculture and other sectors of the economy, and between rural and urban spheres. It constituted a critical epoch within capitalist modernisation in terms of shifting away from agriculture in general through further marketisation. Since the year 1980 has a special place in the history of Turkish political economy, as a turning point for state-market relations and transition to neoliberal policies in general; this chapter has an important place in this study in opening up the discussion for the agricultural transformation process within the context of this shift at the broader level. Chapters five, six and seven will serve the purpose of making sense of this process through a thorough analysis of the three decades following 1980 with a focus on agriculture.

This chapter will start with a general overview of the country in terms of both political and economic developments throughout the decade following 1980. After that, it will focus on the agricultural sector in the 1980s and contextualise it within the general political economy. Firstly, it will position the agricultural sector within the Turkish economy in this period. Secondly, it will examine the agricultural policies in this decade. Thirdly, it will address the changes in the legal framework in line with the policies followed, and mention the agriculture-related laws made and implemented in the 1980s. Fourthly, it will move to the analysis of changing production process, and fifthly to that of property relations and social composition throughout this decade. The same structure will also be used in the next two chapters that will deal with the 1990s and 2000s respectively.

## 2. Turkish Political Economy in the 1980s

The year 1980 opened a new phase in the capitalist development of Turkey, within which the country started to apply a neoliberal restructuring programme. Following the import substituting and protectionist industrialisation model that had been applied since the 1960s, 1980 was a turning point in the economic history of the country; as state-market relations have been restructured in line with further marketisation and opening up to world economy once again. The new economic programme came together with a military coup that gave it an authoritarian character, making the year a turning point politically as well. The policies that started to be implemented in 1980 have continued to mark the economic orientation to the present day. Although coming to power of the Justice and Development Party in the beginning of the 21st century after a long decade of instable coalitions, as a result of the rise of political Islam mid-1990s onwards, promised and was celebrated as being successful in denoting a rupture in state-society relations; it portrayed continuity, rather than rupture, concerning neoliberal authoritarianism that can be traced back to 1980 (Yalman & Bedirhanoğlu, 2010, p. 110). This continuity makes the 1980s special in the attempt to grasp the dynamics of neoliberal restructuring at the broadest level. It is hence necessary to have a good level of understanding of how the 1980s brought about a new form of state-class relations, in order to make sense of the political and economic developments of the early 2000s within which agricultural restructuring was deepened and institutionalised.[72]

The import substitution industrialisation model had come to its limits by the end of the 1970s. 1978 and 1979 witnessed a stagnation in imports and in the growth of GNP, because of the blockage of external debt channels (Boratav, 2010a, p. 142). The external debt crisis was coupled with a falling rate of profits, for which a significant factor was the strong trade union movement of the 1970s (Boratav, 2010a, p. 143). As a result of the shrinking industrial sector, wage share in industrial value added increased from 28% in 1975 to 37% in 1979; pointing to the fact that increasing wages and the populist accumulation regime was no longer sustainable (Yeldan, 2001, pp. 43-44). While the decade was closing, increasing inflation had severely affected the masses; there were queues and black-marketeering in basic

[72] On the other hand, it is worth noting that it is capitalism per se, rather than a neoliberal capitalism, that accounts for the agrarian change in the Turkish context. Contextualising the agrarian change within the post-1980 restructuring of the Turkish political economy is not to attribute a distinctiveness to a new mode of regulation under the new set of policies that would couple with a new regime of accumulation in this period. On the contrary, not to ignore the dire need for "an understanding of the enduring features of capitalist social relations" through such an attribution is kept in mind throughout this study (Bonefeld, 2010, p. 21).

consumption goods (Boratav, 2010a, p. 145). Adding to the economic crisis, the chaotic political environment in the late 1970s, when the polarisation in society between right-wing and left-wing groups was reflected in the violence on the streets, had set the background for 1980.

After failure in the by-elections of October 1979[73], Ecevit resigned and left his place to Süleyman Demirel. Demirel formed the new government in November 1979 and appointed Turgut Özal (who was both his Deputy Under-Secretary and Head of the State Planning Organisation) as the person in charge of preparing a new stabilisation and reform programme; the famous January 24th package. Beyond being the key figure behind this reform package, Özal marked the decade and has become a very prominent name in both economic and political developments of the country throughout the 1980s. He was a successful technocrat, but also had a background combining Islamist and Western leanings, and hence was appealing to both conservative and secular segments of society (Öniş, 2004, p. 116). We will discuss the political and economic developments of the decade in detail below; however, it is worth mentioning that the 1980s cannot be thought of separately from Özal's personality. As the leading person in the neoliberal turn of Turkey, he is retrospectively applauded by the proponents of this process and blamed for causing irreversible damages by the critical front. His uniqueness[74] comes from the fact that he could maintain "the role of a technocrat in a largely authoritarian setting as well as the role of a reformist politician in a broadly democratic environment"[75], "within the course of a single decade" (Öniş, 2004, p. 113). While performing his second role, however, he was great at "by-pass[ing] democratic processes such as the constraints imposed by bureaucratic and parliamentary norms"; he preferred Decree Laws to Parliamentary Laws in order to implement market-oriented reforms quickly (Öniş, 2004, p. 120). Despite his novel approach to economy required by compliance with a set of market rules, as seemingly a rupture from the patronage politics of the previous era; he, in fact, centralised policy-making to an extreme (Heper & Keyman, 1998, p. 267). The centralisation of decision-making through strengthening of the executive, represented in the increased weight of Decree Laws in the law-making process or going around the rules when necessary, will be one of the common characteristics between the 1980s under Özal and 2000s under consecutive JDP governments, which will be discussed in Chapter 7. Therefore,

[73] On 14 October 1979, by-elections took place in 5 cities, namely Aydın, Edirne, Konya, Manisa and Muğla. Republican People's Party got 29.33% of the votes, whereas Justice Party under the leadership of Demirel got 54.05%.

[74] Compared to his Latin counterparts, see Öniş (2004, p. 113).

[75] Concerning the latter role, Öniş refers to political democracy in the narrow sense that there were elections and the ban on political parties was abolished following the military rule.

Özal not only successfully started the economic reform process in the 1980s, but also set the example of how free market necessitated a strong and committed political involvement; creating a legacy that would be taken over by the JDP following the 2000-01 crisis. The need for an effective and speedy recovery from the economic crisis provided the pretext in both cases for the extraordinary law-making processes.[76]

As stated above, Özal prepared the January 24th package in response to the crisis of late 1970s. This stabilisation programme was composed of economic measures responding to macroeconomic instability, as the name implies; but beyond that, it meant a long-term structural change. It pointed, on the one hand, to a new "mode of articulation of Turkish economy with the world economy", as the development strategy shifted from import substitution industrialisation towards export-orientation, that is from inward toward outward orientation; on the other hand, to a significant change in the "nature of state-economy relationship", as the measures paved the way for marketisation (Yalman, 2009, p. 4). Liberalisation of foreign trade, liberalisation of exchange transactions and controls, promotion of foreign capital investments, shrinking of the share of the public sector in the economy and corresponding decisions such as elimination of state subsidies and of support purchases of agricultural crops were among the measures included in the stabilisation programme (OfficialGazette, 1980).

Although implemented in conjunction with the domestic features of economic and political life, this programme perfectly reflected the economic restructuring process experienced throughout the world. The crisis of the 1970s, collapse of the Bretton Woods system and Keynesian welfare policies brought about the neoliberal[77] wave beginning from the late 1970s; not only as an ideology promoting free market, free trade, limited but market establishing/facilitating government intervention, but also as a set of policies including deregulation, privatisation, and financialisation. Neo-liberalisation has been more destructive

[76] The case of 15 Laws in 15 Days, promoted by Derviş following the 2001 crisis, under the coalition government; and how JDP governments showed continuity throughout the 2000s in terms of this law-making style will be discussed in further detail in Chapter 7.

[77] The more difficult to define a concept becomes, the cruder the definition attempts are. Neoliberalism is such a concept, with various and contentious meanings and interpretations, various theoretical sources, different experiences in different territories, yet also some commonalities (Saad-Filho & Johnston, 2004). Pursuing an in-depth discussion about the term itself is beyond the limits of this chapter. On the other hand, it has become common sense in Turkish academia to call the post-1980 economic restructuring process in Turkey "neoliberal". Notwithstanding the variations among the usage of the term depending upon different emphases, such as neoliberalism, neoliberal hegemony, neoliberal restructuring, neoliberal transformation, neoliberal capitalism or neoliberal globalisation; there seems to be a consensus that this process is *neoliberal*. Some recent works on this include Ünay (2007), Yıldırım (2009), Saad-Filho & Yalman (2009), Mütevellioğlu & Sönmez (2009), Dedeoğlu & Elveren (2012), Coşar & Yücesan-Özdemir (2012), İnal & Akkaymak (2012), Öniş & Şenses (2013), Gambetti & Godoy-Anativia (2013) and Bekmen, et al. (2014).

regarding its consequences in underdeveloped or developing countries of the South (Munck, 2004, p. 64), in parallel to the uneven and combined character of capitalist development. Munck puts forward that "the 'Washington Consensus' codified the actual implementation of neoliberalism across the South and set the terms of the new development debates" (p. 65).

Structural adjustment programmes implemented in post-1980 Turkey can thus be better grasped in reference to the Washington Consensus; as the reform policies prescribed by the latter constituted the so-called neoliberal framework for Turkey. The Consensus represents that of the Washington institutions, IMF, World Bank, US Treasury Department and think tanks, on policy reforms; instruments of which can be listed as fiscal discipline, redefining public expenditure priorities and reduction in state subsidies, tax reform to broaden tax base and keep marginal tax rates moderate, market-determined interest rates and exchange rates, import liberalisation, liberalisation of foreign financial flows, privatisation, deregulation, and securing property rights (Williamson, 1990). These policy instruments have been promoted in developing countries, Turkey being among them, through the conditionality of structural adjustment loans (SALs). Turkey received five SALs from the World Bank between 1980 and 1984, which were followed by sectoral adjustment loans, one of which was for agriculture. Among the international financial institutions, World Bank was the principal actor for Turkey in this period (Öniş, 1991a, p. 38). Beside the volume of the loans, this is also reflected in the type of conditionality Turkey was faced with; that is, "*direction* of policy changes rather than the achievement of specific quantitative targets", which characterises IMF conditionality (p. 39).

Rather than being imposed by external forces though, they were considered as an answer to the necessities of the time (Yalman, 2009, p. 242). Thanks to the need for foreign credits in the early 1980s, it was easier for policymakers to internalise the idea that lagging behind in development results from implementing wrong policies until then and can thus be overcome by following the policy prescriptions of the Washington Consensus. As Saad-Filho puts it, "neoliberalism implies that the main reason why poor countries remain poor is not because they lack machines, infrastructure or money (as used to be generally accepted by economists) but, rather, because of misconceived state intervention, corruption, inefficiency and misguided economic incentives" (Saad-Filho, 2004, p. 114). Efficiency is said to be achieved through markets, which tend to be more efficient than the states are (p. 113), hence the urge for marketisation as a tool of development; and shifting from "domestic consumption" to "international trade and finance", which are regarded as "the engines of development" is said to be necessary (p. 114). Before moving into the details of how this new

policy set found its reflection in the Turkish economy, through an overview of macroeconomic indicators of the decade, we need to turn our attention back to the immediate aftermath of the January 24th package.

Responded by a then powerful opposition, the measures developed in the January 24th stabilisation programme were hard to implement; and their implementation was facilitated by the military coup of September 12th. "Restructuring of socio-economic life by limiting labourers' demands" was regarded as a "function" of the coup and of the following military regime, along with providing security (Tanör, 2002, p. 26). The street terror in 1980, that will be imprinted on the memories of people as an environment where brothers killed each other, had prepared people's minds for a military intervention. The failure of Presidential elections in April[78] contributed to mistrust in the political will (Aydın & Taşkın, 2014, p. 325). The final straw, used by the military as a pretext for the coup, was the Konya Meeting of National Salvation Party (MSP) on September 6, where radical Islamists showed reactionary tendencies by rejecting the singing of the national anthem and chanting "one caliph-one state-one nation" (p. 326). 6 days later, the army seized political power - declaring General Kenan Evren as head of the state on September 14th- and the military regime that lasted for three years started.

A state of emergency was declared, street terror left its place to street silence; the parliament was dissolved; political parties and trade union confederations, DİSK and MİSK representing socialist and nationalist fronts respectively, were suspended; party leaders were arrested. Whereas the coup had destructive effects on domestic politics, it did not touch international political and economic commitments. The army declared that they would continue to abide by all international alliances and agreements, including NATO and also the ongoing economic programme (Aydın & Taşkın, 2014, p. 326). By the end of 1981, 122,600 people had been arrested, including "trade unionists, legal politicians, university professors, teachers, journalists and lawyers"; and torture had become common practice having fatal consequences in some cases (Zürcher, 2004, pp. 279-280).[79] Under the military rule, a new

[78] After President Fahri Korutürk's term ended on April 6, the Justice Party and Republican People's Party could not agree on a common candidate; voting continued for days without any result.

[79] One of the consequences of the military rule's violent oppression was its contribution to the rise of the Kurdish problem in the mid 1980s;which would continue to have a determining place in Turkish political life for the next three decades. The military rule "turned much of the Kurdish region in the south-east into a militarised zone, committing human rights abuses there" (Aydın & Keyman, 2004, p. 34). On 19 October 1983, The Law on Publications in Languages other than Turkish was made (The Law number 2932). The law prohibited the use of any languages other than Turkish for expressing, disseminating and publishing ideas (Article 2), their use as a mother tongue and their use in meetings and marches by any means (Article 3). Considering the fact that "Kurds make up the most numerous minority in Turkey with 10 to 12 million people" (Aydın & Keyman, 2004, p. 34),

constitution was drafted and approved upon the referendum on 7 November 1982, when 91.4% voted yes. The 1982 Constitution represented an elimination of the political gains of the previous two decades; by bringing serious limitations to freedom of press, freedom of trade unions, and individual rights and liberties, and a strengthening of the executive (p. 281).

In 1983, Turkey experienced the transition from military to civilian rule. This transition was "controlled from above and engineered by the military leadership" (Sayarı, 1996, p. 32). In March, the Political Parties Law was enacted, which banned pre-coup politicians from politics for ten years and allowed the founding of new parties only upon the approval of the National Security Council. The elections were held on 6 November 1983, and only three parties could take part; namely Nationalist Democracy Party (MDP), Populist Party (HP) and Motherland Party (ANAP) – hereafter MP. The winner of the election was MP with 45.14%, under the leadership of Özal. His role as the leader of the economic programme that was maintained throughout the military rule years played a key role in this result. In addition, the army was supporting the other parties, giving Özal the appearance of "the only genuine democrat" (Zürcher, 2004, p. 282).

MP remained in power until 1991.[80] The first Özal government between 1983 and 1987 represented the golden years of the MP. Özal governments followed the junta's goals regarding wage and agricultural support related redistribution policies, and trade unions had lost their impact on these by the end of this period (Boratav, 2010a, p. 152). On the other hand, new redistributive instruments were developed to resolve the problem of poverty independently of the labour market, such as *fak-fuk-fon*[81]; perfectly representing the "crony populism" of Özal years (p. 153). It was not a surprise that the main pillars of the January 24th package = privatisation, and trade and finance liberalisation - were embraced by the Özal government. Import liberalisation, export incentives that led to the fictitious export scandals and flexible exchange rate system characterised this period; privatisations were on the agenda although the 1990s witnessed their proliferation; and financial liberalisation was being realised even if at a slow pace[82] (pp. 153-155). With respect to economic policies, there was a continuity between military rule and civilian rule under Özal's leadership. In this sense, the

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prohibition of the use of non-Turkish languages as a mother tongue was a serious assault, adding to the military oppression. In 1984, PKK started its operations and was retaliated by the Turkish army (ibid).

[80] Of the four consecutive MP governments in this period, Özal led the first two.

[81] The abbreviation "fak-fuk-fon" stands for the Fund for Promoting Social Aid and Solidarity, widely known as the "fund for the poor", "fakir fukara fonu", which targeted mainly the urban poor.

[82] The 1982 Bankers Crisis when bankers, who had gained huge profits from liberalisation of interest rates, went bankrupt, had an impact on the cautious implementation of financial liberalisation in this period; yet, the Istanbul Stock Exchange was still founded and financial instruments started to diversify within this period (Boratav, 2010a, p. 153).

military rule did not portray an interruption as promised despite its politically repressive face. On the contrary, thanks to that very face, it provided a convenient environment within which economic liberalisation took place. Beyond that, Turkey witnessed "extraordinary continuity in economic leadership" by Özal throughout the 1980s, in contrast with the 1990s, that was instrumental in the speedy implementation of the reform package (Öniş, 2004, p. 117). As Öniş puts it, "successful transition to a neo-liberal model of development requires strong and effective leadership" (p. 118).

One of the significant developments of this period was Turkey's application for full membership in the EU -then EEC- on 14 April 1987, which was a key step to be taken in the process of transition to an export-oriented accumulation strategy. Although it was rejected, this application contributed to the "consolidation of economic reform"; for Özal, having an external anchor was a good way to convince domestic business groups resisting trade liberalisation (Öniş, 2004, p. 119). This was the initial step in the long-lasting EU membership journey, within which Customs Union membership in 1996 would constitute a milestone for trade liberalisation.

In 1987, political bans for the pre-coup politicians were removed and early general elections were called. Özal's MP got 36.31% of the votes[83], which was significantly lower compared to the previous election, although it was still able to form the new government. Another blow to MP's power came from the results of the local elections that were held in 1989, when İnönü's Social-Democratic People's Party (SHP) and Demirel's True Path Party (DYP) surpassed Özal's MP. Therefore, under more democratic conditions in the second half of the decade, the second Özal government between 1987 and 1989, when Özal became president[84], was less powerful than the first one.

It was not only the transition to a more democratic phase in Turkish political history through removal of the political bans that weakened Özal's power. By the end of this decade, the effects of the economic reform package had become visible. An overview of the macroeconomic indicators, which are summarised in the table below, would be useful to grasp these effects.

[83] Followed by Social-Democratic People's Party with 24.74% and True Path Party led by Demirel with 19.13%.

[84] General Kenan Evren's term in presidency, which was 7 years as set in the 1982 constitution, ended in 1989, and Özal became the president, while leaving his place to Yıldırım Akbulut, who established another MP government that would continue to rule the country until 1991.

**Table 2 Main Economic Indicators of Turkish Economy in the 1980s**

| Years | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **GDP growth (%)** | -0.6 | -2.4 | 4.9 | 3.6 | 5.0 | 6.7 | 4.2 | 7.0 | 9.5 | 2.1 | 0.3 | 9.3 |
| **Unemployment Rate (%)** | | 8.6 | 7.6 | 7.5 | 8.2 | 8.1 | 7.6 | 8.4 | 8.8 | 8.4 | 9.1 | 8.5 |
| **Export/Import (%)** | 44.6 | 36.8 | 52.6 | 65.0 | 62.0 | 66.3 | 70.2 | 67.1 | 72.0 | 81.4 | 73.6 | 58.1 |
| **Import/GDP** | | 8.7 | | | 11.4 | 13.6 | 12.7 | 11.0 | 12.3 | 11.8 | 11.1 | 11.1 |
| **Export/GDP** | | 3.2 | | | 7.1 | 9.0 | 8.9 | 7.4 | 8.9 | 9.6 | 8.1 | 6.5 |
| **Current Account Deficit/GDP** | | -3.8 | | | -2.4 | -1.8 | -1.1 | -1.5 | -0.7 | 1.3 | 0.7 | -1.3 |
| **Foreign Debt (billion US$)** | | 16.2 | | | 18.4 | 20.7 | 25.5 | 32.1 | 40.4 | 40.7 | 43.9 | 52.3 |

**Source: Ministry of Development** (MoD, 2016)
The data has been compiled by the author from various tables, which are available on Ministry's website under 'economic and social indicators' page, under the relevant titles.

To begin with, foreign trade volume expanded significantly in this decade, as a result of trade liberalisation. In line with the shift from import substituting industrialisation to an export-led growth model, export/GDP ratio increased from 3.2% in 1980 to 9.6% in 1988. Export promotion policies implemented in this period were effective in this. In addition, foreign trade companies were established in the early 1980s, following East Asian experiences; and those companies surpassing a certain target were eligible for export tax rebates (Öniş, 1991a, p. 31). Having stated that the increasing amount of export was due to the export promotion instruments used by the state, we should note that the importance of the state for the national economy continued in this period (Yeldan, 2001, p. 55). As a proof of both the phrase of "golden years" of MP and the argument that the economic policies were consistent through the military rule and first Özal government, a stable GDP growth rate was achieved until 1988, as shown in the table.

Although the average annual growth rate of national income was 4.9% between 1980 and 1988; whether this could be regarded as a success of the ongoing stabilisation programme was questionable (Boratav, 2010a, p. 159). First of all, despite the increase in the volume of exports, that of imports rose as well, as can be seen in the table above; and the economic growth was dependent upon increasing external debts, thanks to the support of international financial institutions for a country applying the reform package developed under their auspices (pp. 160-161). Secondly, considering the fact that industrial investments contracted in this period, it can be put forward that industrial growth was highly dependent upon wage

suppression[85] (pp. 162-163). In addition, the unemployment rate was steady throughout the decade, despite the economic growth. Wage suppression was not without its reactions. In an article on the 1980 austerity package that was published in 1988, Marguiles and Yıldızoğlu had stated that "it seems inevitable that the forthcoming period will see an upturn in the class struggle" (p. 161). Indeed, the Spring Demonstrations, where thousands of workers went onto the streets, marked 1989; and it was followed by the Zonguldak mine workers' strike in 1990. This working class dynamism in the transition to the next decade resulted in wage increases for both public sector workers and state officials, and continuation of supporting purchases of the agricultural products; in this sense, reversing the negative effects of the reform package on labourers (Boratav, 2010a, p. 177).

Apart from these, the year 1989 was important because of capital account liberalisation with Decision number 32 on the protection of the value of Turkish Lira, dated 11 August 1989. This will be discussed in detail in the next chapter, within the context of the financialisation that characterises 1990s Turkish economy.

## 3. Agriculture in the 1980s

This third part will contextualise agricultural transformation in the 1980s within the broader political and economic developments of the decade that have been discussed above. It will start with the position of the sector in the economy. Then, it will move to agricultural policies followed throughout this period. After that, it will address the legal changes that were made in line with those policies. Finally, it will analyse how the agricultural production process, property relations and social composition in rural Turkey changed as a result of the policies of the 1980s.

### 3.1. Positioning Agriculture within the Economy

It had been stated that a relatively stable economic growth rate was achieved in the period between 1980 and 1988. The table below enables us to compare general economic growth

[85] Between 1978/79 and 1988, real wages decreased by 29% with respect to wholesale prices, showing the decreasing cost of labour power from the employers' perspective; and by 32% with respect to consumer prices, showing the decreasing real purchasing power of the wage earners (Boratav, 2010a, p. 164). Furthermore, this happened in a period when industrial output increased by almost 66% and labour productivity by nearly 50% (ibid).

rate with that of the agricultural sector. Agricultural growth rate remained below the GDP growth rate throughout the decade, as seen in the table; with the exception of the year 1988, when the industrial sector had its lowest growth rate of the decade, 2.1% (TURKSTAT, 2015a). The share of the agricultural sector in GDP declined from 24.4% in 1980 to 16.4% in 1990. On the other hand, the industrial sector increased its share in GDP from 20.7% to 26.2% (ibid). This downward trend in agriculture and upward trend in industry is something to expect in a developing country. However, it is worth nothing that it is only within this decade that the share of industry started to surpass that of agriculture, and would continue to do so in the next decades. In this sense, the 1980s constituted a period within which the contribution of agricultural sector to the economy experienced not only a quantitative decline but also a qualitative change. Similarly, the proportion of the rural population fell from 56.2% in 1980 to 41.2% in 1990; the urban population started to surpass the rural. Furthermore, the rural population started to fall not only proportionally but also nominally in this decade (Oral, 2013, p. 446).[86]

**Table 3 Share of Agriculture in GDP and Growth Rate of Agriculture and GDP (%) - 1980s**

| Years | Sector Share in GDP | AGR Growth Rate | GDP Growth Rate | Years | Sector Share in GDP | AGR Growth Rate | GDP Growth Rate |
|---|---|---|---|---|---|---|---|
| **1979** | 23.5 | -0.2 | -0.6 | **1985** | 19.4 | -0.3 | 4.2 |
| **1980** | 24.4 | 1.3 | -2.4 | **1986** | 18.8 | 3.6 | 7.0 |
| **1981** | 22.9 | -1.8 | 4.9 | **1987** | 17.2 | 0.4 | 9.5 |
| **1982** | 22.8 | 3.3 | 3.6 | **1988** | 18.2 | 8.0 | 2.1 |
| **1983** | 21.6 | -0.8 | 5.0 | **1989** | 16.8 | -7.7 | 0.3 |
| **1984** | 20.3 | 0.6 | 6.7 | **1990** | 16.4 | 7.0 | 9.3 |
| **Source: Derived from** (TURKSTAT, 2015b) | | | | | | | |

While in 1980, the agricultural sector had 60% of total employment, this share decreased to 53.7% in 1990 (Candan, 2014, p. 392). However, despite this decline, the sector maintained the biggest share in employment in this decade. Therefore, through its continuing weight in total employment, the sector contributed to the financing of economic growth; in spite of its changing place in GDP (ibid). This contrast points to a low productivity of the sector, which would provide the ground for the privatisation of agricultural state economic enterprises, penetration of private companies into the sector and a series of changes concerning the production process in the coming decades.

[86] See section 3.5.

Terms of trade of agriculture, that is the ratio of agricultural prices to industrial prices, in other words that of what farmers get to what farmers pay, regressed by 38.9% between 1978-79 and 1988, due to elimination of subsidies and price controls (Boratav, 2010a, p. 165). Boratav underlines that this is the biggest price collapse for the Turkish peasantry throughout the republican history (2010a, p. 166). Although labour productivity increased in this period, this only partially compensated for the price collapse; and real agricultural incomes of peasantry declined at a greater amount even than real wages (Boratav, 2005, p. 137).[87] The expanding gap between consumer and producer prices is disadvantageous for not only farmers, but also consumers of the agricultural end-products. Combined with generous export promotion policies, this gap benefitted the trade bourgeoisie, who organised the export of certain agricultural crops like cotton and tobacco (p. 167).

**Table 4 Agricultural Foreign Trade (million$)* - 1980s**

| Years | Export | Import | Balance | Years | Export | Import | Balance |
|---|---|---|---|---|---|---|---|
| **1980** | 1,629 | 80 | 1,549 | **1986** | 1,785 | 289 | 1,496 |
| **1981** | 2,173 | 143 | 2,030 | **1987** | 1,788 | 476 | 1,312 |
| **1982** | 2,083 | 189 | 1,894 | **1988** | 2,289 | 300 | 1,989 |
| **1983** | 1,837 | 159 | 1,678 | **1989** | 1,833 | 886 | 947 |
| **1984** | 1,694 | 406 | 1,288 | **1990** | 2,025 | 1,137 | 888 |
| **1985** | 1,653 | 282 | 1,371 | | | | |

*** According to ISIC-Rev.3 (International Standard Industrial Classification of All Economic Activities – Revision 3)**
**Source:** (Oral, 2013, p. 452)

The table above shows agricultural foreign trade in the 1980s. The volume of agricultural foreign trade almost doubled in this decade. Reflecting the liberalisation of imports, the value of imports increased from 80 million US$ in 1980 to 1,137 million in 1990. On the other hand, the rise in exports was only around 25%. This asymmetry was reflected in the falling balance of trade in this period, although exports continued to cover imports until the mid-1990s. Günaydın argues that this decade proved that it is "impossible to obtain desired levels of foreign currency and improve the foreign trade balance through the selling of low added value agricultural raw materials or rudimental industrial goods based on agriculture"; underlying the negative consequences of uneven character of capitalism for developing countries (2010, p. 164). The new role of Turkey in the international division of labour mid-1990s onwards, as processor and exporter of food based on the imports of

[87] See section 3.4.

agricultural raw materials, was founded, starting from the 1980s, through the process of trade liberalisation.

### 3.2. Agricultural Policies

Starting from 1980, the state-economy relationship had been restructured in line with further marketisation, and the development strategy shifted from import substitution toward export-orientation; that meant opening up the Turkish economy once again to the world market after a period of protectionism. Accordingly, two main pillars of the January 24$^{th}$ stabilisation package, which set the rules for the neoliberal policies of liberalisation, deregulation and privatisation, were shrinking the public sector share in economy and trade liberalisation. Agricultural policies of the decade were also shaped within this framework. The former pillar led to the decision of elimination of state subsidies for and of support purchases of agricultural crops; whereas the latter had significant implications for not only the changing foreign trade balance in certain agricultural crops, but also for the purpose of agricultural production.

In 1985, the Agricultural Sector Adjustment Loan –hereafter SECAL- Agreement was signed with the World Bank, with an amount of US$300 million and for the period between 1985 and 1987. The Agricultural SECAL was part of the sectoral adjustment loans which followed the general structural adjustment loans that started in 1980. As the name implies, the loan aimed at supporting the agricultural restructuring process through which the sector would be marketised. The objective of this process is defined in the agreement as "the transition to a self-reliant, financially independent and responsive production and marketing system in order to stimulate exports and re-attain historical growth" (WB, 1985, p. i). Reflecting the general characteristics of the restructuring of the post-1980 Turkish economy, agricultural restructuring was framed around the concepts of market efficiency, effectiveness and less state intervention. As stated in the SECAL report, the "reforms agreed under the loan would foster a more efficient allocation of investment resources, a gradual withdrawal of Government from direct intervention in input distribution, production and marketing activities, and more effective agricultural supporting services" (ibid).

The conditions brought about by SECAL included liberalisation of fertiliser production and marketing, restructuring of TZDK (Turkish Agricultural Supply Organisation) and TİGEM (General Directorate of Agricultural Enterprises), increasing the effectiveness of

credit cooperative system, enhancing agricultural research, and improving irrigation systems through a Core Program for Irrigation and Drainage Investment (WB, 1985, pp. 14-24). The wide range covered in SECAL, from agricultural inputs and credits to irrigation systems, underlined how comprehensively the process of the so-called withdrawal of the state from agricultural market had been conceived. The Agricultural SECAL constitutes a key component in shaping agricultural policies of the 1980s. However, it should be noted that it differs from the Agricultural Reform Implementation Project, which would be launched by the World Bank in 2001, in the sense that it facilitated and gave an impetus to the implementation of already developed policies, whereas the latter played an initiating role for the more comprehensive restructuring process throughout the first decade of the 2000s. Therefore, it is not surprising to encounter in the SECAL agreement document, a lot of references to the Turkish Government's decisions and previous implementations regarding the topics covered, and taciturn appreciation instead of aggressive stipulation. This is partly due to the fact that previous loans by the World Bank had already opened up the way for the ongoing reforms. More importantly, however, it took time for the conditions for a more open economy with less direct state intervention to ripen; only after this could relevant sector specific reforms be undertaken.

As mentioned above, agricultural policies of the decade were based on two pillars; redefinition of the role of the state in the agricultural market and opening up the boundaries for agricultural products. To begin with, the scope of support purchases by the state was significantly restricted in this period. Whereas the number of agricultural products within this scope had been increased to 24[88] by late 1970s, thanks to the statist development strategy applied until 1980, it had decreased to 10[89] by the end of this decade (Günaydın, 2010, p. 168). Until 1980, the state was supporting farmers not only through buying the end products, but also through subsidising the necessary inputs; the most important of which was the seed. The price of seeds that had previously been set by the state was deregulated in 1983; and then, seed imports were liberalised in 1984. Various mechanisms were developed in 1985 to encourage the private sector to engage in seed production and marketing, and also to encourage seed imports (Özkaya, 2013, p. 357). By the time of the SECAL agreement, the number of private seed companies had already increased from 3 to 12 (WB, 1985, p. 16); this

[88] These products were wheat, barley, rye, oat, cotton, tobacco, tealeaf, sugar beet, soy, sunflower, hazelnut, pistachio, dried fig, seedless raisin, seed bearing raisin, olive, poppy, rose, peanut, colza, olive oil, mohair, wool, and silk cocoon (Günaydın, 2010, p. 168).

[89] They were wheat, barley, rye, maize, rice, oat, tobacco, sugar beet, poppy and chickpeas (Günaydın, 2010, p. 168).

number rose to 60 by the end of the decade. In 1984, TİGEM was founded as a State Economic Enterprise, to improve efficiency in wheat and barley seeds production. Another input, the market of which started to be liberalised in this decade, is fertilisers. Fertiliser trade was fully liberalised in 1988. The share of TZDK, which had a monopoly in fertiliser distribution until 1986, decreased from 89% in 1985 to 17% in 1990, leaving its place to private fertiliser companies in the second half of the decade (Önal, 2012, pp. 142-143). In line with SECAL and two other Agriculture Credit Projects of WB in 1983 and 1989, Ziraat (Agricultural) Bank's role in agricultural credits was redefined; subsidised interest rates, which were said to be leading to "a drain on Government resources", were abandoned and interest rates for these credits were liberalised (WB, 1985, pp. 23-25).

State monopolies were abolished in the markets of certain agricultural products and these markets were opened to the private sector. The state monopoly in the tea sector was abolished in 1984 with Tea Law number 3092; and private companies were not only permitted to engage in purchasing, processing and packaging tea leaves, but also encouraged to invest in this sector. Although restructuring of the tobacco market could only be completed in the end of the first decade of the 2000s, important steps in this regard were also taken in the 1980s. The import of cigarettes was liberalised in 1984; imports reached 16 thousand tonnes by 1990 (Oyan, 2002, p. 67). Introduction of American cigarettes into the Turkish cigarette market caused a rise in cigarette consumption due to their greater addiction creating characteristics; demand for cigarettes increased from 59 thousand tonnes in 1980 to 77 thousand tonnes in 1990 (ibid). Law number 3291 abolished the state monopoly in the tobacco sector in 1986. In 1989, tobacco imports were also liberalised; imported tobacco would in time replace the oriental domestic tobacco in cigarette production. Starting from 1989, private companies were allowed to produce foreign brands domestically, in collaboration with foreign firms (ibid). Import liberalisation for tobacco and cigarettes negatively affected the foreign trade balance; the rise in the amount of exports was less for cigarettes than that for leaf tobacco; furthermore, it would soon be surpassed by that in imports (Oyan, 2002, p. 68).

Another policy of the decade was the restructuring of agricultural public administration. In 1985, the Ministry of Agriculture, Forestry and Rural Affairs was reorganised, and General Directorates of Agricultural Affairs, Soil Water, Pest Control, Livestock Development, Food Affairs, Veterinary Affairs, and Fisheries were closed with the aim of enabling more effective functioning of the Ministry. However, the closure of these units that had specialised in their own fields weakened the Ministry (Günaydın, 2010, p. 163).

Whereas staff and facilities were merged through this reorganisation; the decision making process was decentralised, as duties and authorities regarding the administration of agriculture were distributed among different institutions, including different ministries, undersecretariats, Central Bank and Ziraat Bank. This led to clashes between authorities, and a lack of coordination amongst these institutions contributed to the ineffectiveness of the Ministry (ibid). Market-friendly policies that were pursued from 1980 onwards not only restructured state-economy relationships, but also the state itself in line with market principles such as cost effectiveness and efficiency. The reorganisation of the Ministry of Agriculture in 1985 was the first example of state restructuring in this sense concerning the agricultural sector.

Lastly, the scope of privatisations in the sector was defined in this decade, but the first practices were realised only in the 1990s. This decade not only set the ground for privatisation of agricultural SEEs through legal developments, but also trade liberalisation and private sector involvement that would eventually disempower them. The Privatisation Master Plan, that was prepared with World Bank support in 1986, determined the SEEs to be privatised in an order of priority. According to the plan, YEMSAN (Forage Industry) and TİGEM were the agricultural SEEs among the first group; EBK (Meat and Fish), ÇAYKUR (Tea), TÜGSAŞ (Fertilisers) and TŞFAŞ (Sugar) were among the second group, and TMO (Grain) and TZDK were among the third group in the privatisation order. However, this order was not followed during actual privatisation practices, and the scope continuously changed over time; this will be discussed in the next chapter within the context of the 1990s.

## 3.3 Legal Framework

Moving from the final point above, it is a good way to start discussing the law-making processes in the 1980s within the privatisation theme. The first step towards the establishment of the legal framework for privatisation of SEEs was taken with Decree Law number 233, dated 8/6/1984 (CouncilOfMinisters, 1984). With this Decree Law, SEEs were divided into two; as State-Owned Enterprises that would engage in "economic activities based on business principles" of "productivity and profitability" and Public Economic Enterprises that are "monopolies engaging in production and marketing of goods and services in favour of the public good" (Art. 1 & 2). The Decree Law also gives the authority to found SEEs to the Council of Ministers (Art. 3); and authority to decide on liquidation, transfer, sale and

running of these to the High Coordination Council for Economic Affairs (Art. 38). This exemplifies Özal's preference for strengthening the executive by taking significant decisions through decree laws instead of laws and creating new layers of bureaucracy for "the rapid and uninterrupted implementation of reforms" (Öniş, 2004, pp. 121-122).

Building upon the decree law, The Law on Privatisation of the State Economic Enterprises[90], number 3291, was adopted on 28/5/1986 (TGNA, 1986). According to the Law, the Council of Ministers was authorised to decide on privatisation of SEEs, whereas the Mass Housing and State Partnership Council[91] was authorised to decide on privatisation of their ventures, subsidiaries, and plants (Art. 13); and all procedures for their privatisation are exempt from all kinds of taxes, levies and charges (Art. 14). The law symbolises the transition from mixed economy to private sector based economy. Despite the fact that privatisation of agricultural SEEs was not one of the policies that materialised in this decade; this law defines the basics that would be followed when the process starts. Although there would emerge the need to make legal regulations for certain sub-sectors[92], most of the agricultural SEEs would be privatised based on the broader legal framework for privatisation; the foundations of which were laid in the 1980s.[93]

Beyond paving the way to privatisation of all agricultural SEEs, Law No. 3291 had a specific article for tobacco. It abolished state monopoly in the tobacco sector by annulling Article 38 of the Tobacco and Tobacco Monopoly Law of 1969, which states that producing and selling tobacco and tobacco products for domestic consumption and importing these are under state monopoly and carried out by TEKEL (Art. 17). The authority to determine the procedures and principles regarding production, import and sale of tobacco and tobacco products was given to the Council of Ministers (ibid).

The state monopoly in the tea sector was also abolished with Tea Law number 3092 that was accepted on 4/12/1984 (TGNA, 1984). The Law allows not only cultivation, production, processing and sale of tea, but also purchasing tea leaves for these purposes directly from the producers (Art. 1). This enabled the encounter of buyers and producers of tea leaves without the arbitrating role of the state; creating a disadvantageous position for the producers, who are mainly small farmers dependent upon family labour (Aysu, 2014, p. 589).

[90] Besides the privatisation of SEEs, the Law makes amendments for previous laws on Central Bank, Banks, Investments, Housing, Capital Market and Tobacco Monopoly.
[91] This law annuls Article 38 of the Decree Law No. 233 (Art. 17).
[92] See Chapter 7 for a detailed discussion on sugar and tobacco cases.
[93] The Privatisation Law of 1994 makes amendments in Law No. 3291, establishes the Higher Board of Privatisation and Directorate of Privatisation Administration, and regulates privatisation practices in detail; see Chapter 6.

Another legal regulation of the decade covered the reorganisation of the Ministry of Agriculture, Forestry and Rural Affairs, that was mentioned above. The legal ground of this process consists of Decree Law number 183, dated 14/12/1983, Decree Law number 212, dated 18/6/1984 and finally the Law number 3161, dated 12/3/1985. As part of the same process, the General Directorate of Agricultural Reform was established within the Ministry by Decree Law number 224, dated 18/6/1984 and Law number 3155, dated 5/3/1985. This process of administrative restructuring provides a good example of "ruling by decrees" that characterised the 1980s (Öniş, 2004, p. 114), in the sphere of agriculture.[94] Throughout the decade, laws followed decree laws, saving time in the implementation of the transformation process as parliament was bypassed.

### 3.4. Production Process

It has been stated that Turkey went through a process of restructuring of state-market relations in the 1980s. Agricultural transformation also started in this decade, within the context of this broader restructuring. Trade liberalisation and the so-called retreat of the state from agriculture had some consequences in how the place of the agricultural sector in the economy changed and the rural sphere was reorganised. However, the fact that the pace of implementation of neoliberal policies in agriculture required a longer time period meant a slower experience of agricultural transformation throughout the 1980s. Therefore, the first thing to note is that these policies did not significantly affect agricultural production process. Completion of privatisation of agricultural state economic enterprises, further opening up of the sector to private and multinational companies, and more intense restructuring of support and subsidy mechanisms within the next two decades would result in deconstruction and then reconstruction of the basics of production process itself; but this did not happen in the period covered in this chapter.

Having said that, we can review the main characteristics of agricultural production process throughout this decade. The mechanisation of agricultural production continued in this period. As seen in the table below, the number of tractors increased more than 50% from 1980 to 1990. This is a less striking rise compared to the previous decade, when that number quadrupled. On the other hand, it was only within this decade that tractors surpassed the number of ploughs, which declined by almost 50%.

[94] Similarly, TİGEM was also established by a decree, Decree Law number 95, dated 28/10/1983.

**Table 5 Agricultural Equipment and Machinery – 1980s**

| Years | Tractor | Combine Harvester | Plough |
|---|---|---|---|
| **1980** | 436,369 | 13,937 | 953,292 |
| **1985** | 583,974 | 14,237 | 706,324 |
| **1990** | 692,454 | 11,741 | 500,834 |
| **Source:** (Oral, 2013, p. 482) | | | |

It is not only mechanisation that contributed to land and labour productivity. As discussed above, terms of trade of agriculture regressed significantly in this period. As a response to decreasing prices, the peasantry attempted to increase production by boosting productivity through using the existing reserves of the household (Boratav, 2005, p. 136). Between 1980 and 1988, labour productivity in agriculture rose by 23.4%. Similarly, between 1980 and 1987, yield per hectare also rose by 4.5%-29.3% for certain products such as tobacco, sunflowers, wheat, cotton and sugar beet (p. 137). Instead of leaving agricultural production, as would happen in the 2000s, small peasantry resorted to their classical survival mechanism. They reduced household consumption and deepened the exploitation of household labour.

One consequence of the policies implemented in the 1980s, with respect to the agricultural production process, that needs to be mentioned in this section is the restructuring of seed production. Its price was deregulated, its import was liberalised and its production and marketing by private sector was encouraged in this period. By 1992, the share of private sector in provision of seed, the key input for farming, had already increased significantly; to 96.5% for vegetables, 99.2% for potato and 5.5% for wheat (Oral, 2013b, p. 171). Privatisation of seed provision was accompanied by a penetration of multinational companies into Turkish agriculture. Starting from the 1980s, foreign companies and national ones with foreign partnerships took an increasing part in food and agriculture in general, as well as in the seed sector. The existence of multinational companies, which invest in production sites at a bigger scale and with higher technology, would create a dramatic change in the structure of Turkish agricultural production process in the near future.[95]

[95] See Chapter 7.

## 3.5. Property Relations and Social Composition

In this last section, how the developments regarding the agricultural sector in 1980s were reflected in land and peasant structure will be portrayed; and changes in property relations and social composition will be discussed. To begin with, the total amount of agricultural lands did not change significantly in this decade. Whereas it was 28,175 thousand hectares in 1980, it was 27,856 in 1990 (Oral, 2013, p. 456). This shows that the reduction in the amount of agricultural lands as a result of enclosures has not yet started then. In addition, the total amount of agricultural lands by itself does not indicate the changing property structure. Instead, we have to look at the change in the distribution of the lands operated by agricultural holdings. The table below shows the change between 1980 and 1991[96] in the number of agricultural holdings and in the amount of the land they operate, by size of holdings.

**Table 6 Number of Agricultural Holdings and the Land They Operate, by Holding Size (1980, 1991)**

| **Results of General Censuses of Agriculture** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **1980** | | | | **1991** | | | |
| **Holding size (decares)** | **Holdings** | | **Area** | | **Holdings** | | **Area** | |
| | Number | % | thousand decares | % | number | % | thousand decares | % |
| **1-50** | 2,267,021 | 62.1 | 45,556 | 20 | 2,659,738 | 67 | 51,890 | 22.1 |
| **50-100** | 738,376 | 20.2 | 48,392 | 21.3 | 713,149 | 18 | 46,751 | 19.9 |
| **101-200** | 421,523 | 11.5 | 54,245 | 23.8 | 383,323 | 9.7 | 49,217 | 21 |
| **201-500** | 194,551 | 5.3 | 52,086 | 22.9 | 173,774 | 4.4 | 46,487 | 19.8 |
| **501-1000** | 26,407 | 0.7 | 17,858 | 7.8 | 24,201 | 0.6 | 14,982 | 6.4 |
| **1001+** | 3,032 | 0.1 | 9,503 | 4.2 | 12,637 | 0.3 | 25,184 | 10.7 |
| **Total** | 3,650,910 | 100 | 227,640 | 100 | 3,966,822 | 100 | 234,511 | 100 |
| **Source:** (Oral, 2013, p. 458) | | | | | | | | |

What can be observed from looking at the holding sizes in the table is the polarisation of peasantry in this decade. While the number of middle-sized holdings declined, their share shifted to the smallest and biggest farmers. The proportion of poor peasants, who operated on 1-50 decares, increased from 62.1% to 67%. At the other extreme, that of capitalist land

[96] In 1991, the general census of agriculture was taken, enabling us to compare agricultural characteristics with those in 1980, when the previous census was taken.

owners /landlords[97], who operated over 1000 decares, also increased to 0.3%. Although their share remained low, the fact that the number of holdings at this size tripled within a decade is striking. Yet, the small peasantry still continued to characterise the Turkish agricultural structure. By the end of the 1980s, 85% of farmers were operating on lands that were smaller than 100 decares. In 1991, 92.57% of the holdings were operating only on their own lands; another characteristic of Turkish peasantry.[98] Out of these, 35.46% had 1-20 decares but the land they owned was only 5.90% of total lands; whereas the holdings sized above 500 decares owned 16.83% of the lands despite their low share in holdings, 0.85%. These numbers show the unequal property ownership structure in rural Turkey (Gün, 2001). Yet another characteristic is the fragmented land structure. 72.7% of the lands were comprised of more than 5 parcels in 1980, as seen in the table below. This proportion fell to 65.6% by 1991 as a result of land consolidation practices, but fragmented lands continued to dominate the structure.

**Table 7 Holdings and Agricultural Land by Number of Agricultural Land Parcels (%)**

| | **1980** | | **1991** | |
|---|---|---|---|---|
| **Parcels** | **Holdings** | **Land** | **Holdings** | **Land** |
| **1** | 9.5 | 1.5 | 43.3 | 15.7 |
| **2-3** | 26.2 | 10.2 | | |
| **4-5** | 22.4 | 15.6 | 22.8 | 18.7 |
| **6-9** | 22.2 | 24.4 | 19.1 | 24.8 |
| **10-** | 19.7 | 48.3 | 14.8 | 40.8 |
| **Source:** (Gün, 2001, p. 326) | | | | |

The total number of households increased by 25.56% from 1980 to 1991; whereas the number of households engaged in agricultural activity increased by 19.14% and those not engaged by 86.85% in the same period (TURKSTAT, 2004, p. 19). We do not observe a decline in the number of households engaged in agriculture in this decade, as we will do in the next two decades. However, the fact that this amount remained below the rise in total, and that those households that are not engaged rose enormously, point to the initial signs of the peasantry's flight from agriculture.

[97] The regions where the inequality in land distribution is highest are Mediterranean and South-eastern Anatolia. The density of biggest-sized holdings is due to capitalist farmers in the former and to tribal relations in the latter region (Oral, 2013d, p. 255).
[98] It needs to be noted that landless families are 30.9% of total in villages as of 1981.

**Table 8 Employment by Economic Activity (%) – 1980s**

| Years | Agriculture | Industry | Services |
|---|---|---|---|
| **1980** | 60 | 15.5 | 24.5 |
| **1985** | 59 | 14.9 | 26.1 |
| **1990** | 53.7 | 17.5 | 28.8 |
| **Source:** (Candan, 2014, p. 392) | | | |

The table above shows how employment by sectors changed. The share of the agricultural sector in employment decreased from 60% in 1980 to 53.7% in 1990. Despite this shrinkage, the importance of agriculture for the Turkish economy persisted; as more than half of the economically active population was still employed in the agricultural sector by the end of the decade.[99] On the other hand, the average sectoral output share/employment share ratio in the 1980-1989 period was 0.41% for agriculture; only 1/4 of that ratio for industry, while it was 1/2 of it for the 1963-1979 period (Candan, 2014, p. 394). This shows how agricultural labour productivity remained lower compared to industrial labour productivity in the 1980s despite its continuing weight in employment; pointing also to the greater exploitation potential through the transformation of rural labour into urban labour (ibid).

**Table 9 Total, Urban and Rural Population by Years (thousand people) – 1980s**

| Years | Total Population | Urban Population | | Rural Population | |
|---|---|---|---|---|---|
| | | Nominal | % | Nominal | % |
| **1975** | 40,348 | 16,869 | 41.8 | 23,479 | 58.2 |
| **1980** | 44,439 | 19,453 | 43.8 | 24,986 | 56.2 |
| **1985** | 50,306 | 26,414 | 52.5 | 23,892 | 47.5 |
| **1990** | 56,098 | 32,987 | 58.8 | 23,111 | 41.2 |
| **Source:** (Oral, 2013, p. 446) | | | | | |

The ratio of rural population to total population continued to decline in the 1980s, as it did throughout republican history. The peculiarity of this decade in this regard comes from the fact that the rural population ceased to be the majority only within the first half of the 1980s. Its share decreased from 56.2% in 1980 to 41.2% in 1990. This underlines a qualitative shift as well because, starting from the mid-1980s, Turkey turned into a country whose majority population lived in urban areas. Combined with the consequences of the restructuring of state-economy relations not only at the broadest level but also for the rural

[99] As of 1990, 48% of rural employment consisted of unpaid family labour, 19% of waged, salaried or casual workers, and 32% of self-employed peasantry (TURKSTAT).

economy in this period, the change in the population points to how the peasantry, who had detached from agricultural production, migrated to cities in order to maintain their subsistence by entering into wage relation in other sectors.

The first half of the 1980s witnessed the third big migration wave from rural to urban areas. This was mainly due to those migrating from the Southeastern Anatolia, as a result of both economic developments and security reasons. Forced migration in the Southeastern case differs from the previous two waves in the sense that it happened in a shorter time period and very quickly; and also migrants were totally disconnected from their villages (Çınar, 2014, p. 75). Whereas previous migrants had continuing support from their families back in the village when needed and the possibility of moving back, this was not the case for the migrants in this wave (ibid). The total number of people who migrated from villages to cities between 1980 and 1985 was 860,438, and they formed 22.53% of total migration[100] (Candan, 2014, p. 393). For the Southeastern migrants, destinations included nearby cities within the region, as well as metropoles; the latter being a choice for economically better-off migrants, who ended up in worse conditions and constituted the poorest sections in the big cities resulting from the fact that even the jobs in the informal sector were occupied by migrants of previous waves (Çınar, 2014, pp. 76-77).

## 4. Conclusion

This chapter covered the period between 1980 and 1990, and discussed the early steps taken towards agricultural transformation in this decade. Turkey experienced a shift in development strategy from import substitution to export orientation beginning from 1980. Presented as a solution to the crisis of the previous strategy in the late 1970s, the stabilisation programme of 24/01/1980 included reduced government intervention into the economy, deregulation, privatisation, and liberalisation of trade and finance. The programme had been implemented both under the military rule, which started with the coup on 12/09/1980, and under the following Özal governments. The coup did not only successfully suppress the political crisis that accompanied the economic crisis, but also provided a suitable environment for effective implementation of these policies. Upon the transition to civilian rule in 1983, a strengthened executive that ruled by decrees contributed to this process. The country was able to boost

[100] This share is significantly high compared to the share of migrants from villages to cities in the 1975-1980, 1985-1990 and 1995-2000 periods, which remained around 17%.

exports through promotive instruments, in line with the new strategy, and maintain a stable economic growth until 1988. The fact that growth was heavily dependent upon wage suppression in this period, thanks to a weakening of working class movements after the junta years, rendered it unsustainable and the 1989 Spring Demonstrations, expressing the reawakening of that movement, marked the closure of the decade.

Although the policies of the time called for a reduced role for the state in the economy, it should be noted that implementation of these policies itself required strong commitment and involvement by the state. The process of putting an end to class-based politics that had "threatened the well-being of the Turkish state" before 1980, and of establishment of economic individualism instead, would be possible only under the auspices of a strong state (Yalman, 2009, p. 308). In this sense, the Turkish experience exemplified the New Right thinking in combining economic individualism with political authoritarianism. Therefore, rather than withdrawing from the economy –including the agricultural sector-, the state has redefined its role toward market facilitation and has also been itself restructured in line with market principles as economic management started to be depoliticised. In other words, rescuing the economy from political pressures has been a major discourse, but it was itself brought about by political power.[101]

Burnham defines depoliticisation as "placing the political character of decision making at one remove thereby enhancing the efficacy of policy implementation" (2000, p. 10). Through depoliticisation of economic management, decision-making is carried out by technocrats and not by politically acting state managers.[102] This in turn "can enhance the political control, while giving the appearance of having transferred elements of that control" and also the "responsibility for policy" (Burnham, 2014, p. 195). Concealing and thereby enabling political authoritarianism, depoliticisation has been a significant tool in a Turkish context as a governing strategy in the 2000s, and also as an ideological keyword underlining the shift away from political pressures following the 1980s.[103] Technocratisation following the late 1990s was built upon a redefinition of the boundary between political and economic

[101] Bonefeld (2006) argues that dictatorship is not in contrast to liberal democratic state and that it can well be used as a means to reinstate the rule of law threatened by democratic pressures.

[102] Another way of the shift from "discretion-based" to "rules-based" economic strategies is "reassigning tasks to an international regime", besides reassigning the task of decision-making to a national independent body (Burnham, 2000, p. 22).

[103] Depoliticisation as a strategy has become a tool in the Turkish agricultural restructuring process and therefore it is useful to grasp depoliticisation dynamics in order to better understand the mechanisms of state involvement in this process. These will be covered in Chapter 7.

spheres following 1980. This decade prepared the background for agricultural restructuring by redefining state-economy relations at the country level.

Retrenching of state support mechanisms and trade liberalisation were the agricultural policies implemented in 1980s. These policies were reflections of the restructuring at the country level, rather than targeting specifically the sector itself. The provision by the World Bank of a sector-specific adjustment loan in this period shows that agriculture was also part of the broader transformation, but when compared to the policies of the late 1990s onwards, which will be covered in the next two chapters, it could be argued that Turkey was far from directly addressing the agricultural sector and rural economy in the 1980s. What the 1980s provided in terms of the agricultural restructuring process was setting the rules and the environment within which it would happen. Having said that, we need to admit that some significant steps -besides the diminishing effect of support instruments by the state and increasing effect of opening up of boundaries- have been taken; such as abolishment of state monopoly in tea and tobacco sectors and reorganisation of the relevant ministry. The way these steps were taken also underlines a characteristic feature of the 1980s, when legal frameworks were drawn through decrees rather than parliamentary laws. The legal framework of privatisation was established in this period as a main reference point for privatisations of agricultural state economic enterprises, which had constituted the backbone of the active involvement of the state in rural economy. In spite of the fact that the sector was not directly addressed, the quick and effective legal developments of the decade, in contrast with the 1990s, paved the way for changes in the sector in the coming decades. In addition, capitalist development and the accompanying modernisation process envisaged a shrinking of rural relations in the long term. Accordingly, the share of the agricultural sector in economy and of the rural population in society had been in decline since the establishment of the republic. The process of further marketisation in the post-1980 period rendered this shrinking a destructive one for the –especially small- peasantry. It was only within this decade that the contribution of industry in GDP surpassed that of agriculture and the urban population surpassed the rural one. However, by the end of the decade more than half of the economically active population was still employed in agriculture; small peasantry, farming their own land, resorting to unpaid family labour and fragmented land structure were still characterising rural Turkey. Furthermore, the state, even if itself going through a restructuring process, was still there for the peasantry.

# CHAPTER VI: DEMOCRACY AND THE POLITICS OF ECONOMIC REFORM IN THE 1990s

## 1. Introduction

The 1980s, that were covered in the last chapter, witnessed significant developments both politically and economically. The military coup, the military rule and the subsequent one-party governments provided political stability; and the authoritarian environment facilitated a smooth implementation of the economic restructuring programme of liberalisation. The 1989 Spring Demonstrations that closed the decade were a response to the initial consequences of this programme. In that period, there was a serious depreciation of working class rights as a result of the transformation of the labour market in line with the economic policies of the decade; entailing lower wages, flexibility and job insecurity, unemployment, privatisation, and de-unionisation. Although non-apparent in the demonstrations, peasantry was amongst the losers together with workers, as not only were real wages suppressed but also state support for agricultural crops was restricted within this period. In addition, privatisation of agricultural SEEs started in that period.

Apart from the political dynamism, the year 1989 was marked by financial liberalisation; opening a new phase within the economic liberalisation process. The hot money flow thanks to capital account liberalisation resulted in a relative increase in agricultural revenues and wages as a result of the economic growth; whereas, on the other hand, it rendered the economy more fragile and prone to financial crises throughout the 1990s. Furthermore, financialisation had a disciplining role in line with increasing dependence by labouring classes on cash money. The fragility was not limited to the economic front; the 1990s are characterised by weak coalition governments, unlike the 1980s and 2000s.

Following the same structure used in the last chapter; this chapter will firstly provide a general overview of Turkish political economy in the 1990s; and then focus on the agricultural sector and discuss the changes in this period in the position of the sector in economy, agricultural policies, legal regulations, production process, property relations and social composition. Beyond discussing the decade in itself with reference to agriculture, the

chapter will also demonstrate what the developments of the 1990s meant within the post-1980 restructuring process.

## 2. Turkish Political Economy in the 1990s

The 1990s in the Turkish political economy is a peculiar era in which major changes in the economic structure are coupled with economic and political crises. It can also be described as an interregnum period within the neoliberal era of the Turkish economy. This claim is built on the idea that both the pre-90s period (which is first dominated directly by the military regime and then one-party regime of MP with its leading figure Özal) and the post-2001 period (which is dominated by the JDP's subsequent one-party governments until to date) are exemplars of the co-existence and co-evolution of free economy and the strong state. Both the 1980s period and post 2001 period are characterised by the empowerment of the executive against the legislative and judiciary powers. An interesting attribute of MP governments was "their tendency to centralize decision-making authority and to bypass the traditional bureaucratic and political processes", "going around the rules" if necessary, which, coupling with the pacification enabled by the military coup of 1980 and its monstrous suppression of dissidence, facilitated their enactment of so-called economic reforms towards a more open market in a relatively short time (Atiyas, 1995, pp. 30, 32). As it will be discussed in the coming chapter, JDP governments also increasingly relied on such a centralised decision making process centred around the aura of the former Prime Minister and current President Recep Tayyip Erdoğan; demonstrating strong authoritarian attributes, which in turn gives rise to a "smoother" and fast implementation of economic policies towards an even more open economy. In comparison, the 1990s are marked by "weak"[104] coalition governments that step down one after another following political and economic crises. Between the period November 1989 and November 2002, when the first JDP government took power, there are 11 different governments which are all coalition governments except

[104] However, weak governments or a weak state do not necessarily mean a benign, more lenient and preferable form of state for the people living in a capitalist country. It should be noted that the 1990s in Turkey is also characterised by an undeclared civil war and a declared state of emergency in the Eastern and South-eastern regions, unidentified murders of Kurdish businessmen and intellectuals allegedly by the counter-guerrilla forces of the state, the revealed intricate relationships between the state officials including armed forces, politicians and mafia and their dirty operations concerning money laundering and smuggling under the name of Susurluk Scandal of 1996, provocative gunned attacks on working class and *alevi* neighbourhood of Gazi in 1995 leaving 23 people killed and hundreds of them injured, raid on political prisoners that went on hunger strikes protesting against the isolative conditions in the prisons, again causing tens of deaths, and a general sense of insecurity and turmoil.

the short lived central left government of Democratic Left Party (DSP) between January 1999 and June 1999. That chaotic political environment has been blamed as an impediment to fast implementation of market reforms and being conducive to populist policies, preventing the fiscal discipline to be achieved. Many of the international organisation reports on Turkey concerning this period criticise Turkish economic governance on these issues.

Beyond the political and social turmoil, the 1990s are marked by a fundamental change in the economic policy, which was introduced in August 1989 as an amendment to the Law Regarding the Protection the Value of Turkish Currency. After the liberalisation of trade in the 1980s following the January 24th decisions, which proved successful until the second half of the decade in terms of "lower inflation, a higher GDP growth and relatively liberalized external trade" (Ertuğrul & Selçuk, 2001, p. 6) and was considered as a model of "successful"[105] transition towards outward oriented economy and praised and "generously supported" by international institutions (Akyüz & Boratav, KALDIR, p. 1551; Boratav, et al., 2000, p. 2); the last MP government led by Özal completely liberalised capital transactions and made the Turkish Lira fully convertible by this amendment as a "second turning point in the economic policies of the post-1980 period" (Boratav & Yeldan, 2006, p. 422). This was, in part a response to the exhaustion of the post-1980 export oriented growth as it "reached its economic and political limits" since it was based on "wage suppression"[106], "depreciation of domestic currency" and "generous export subsidies" (Boratav & Yeldan, 2006, p. 422). These led to a backlash in the disadvantaged groups, especially in the organised working class, and eventually gave rise to a proliferation of working class movements coined as the 1989 Spring Demonstrations in its climax. Another concern of the MP government was the approaching elections and it felt itself obliged to give compromises to the disadvantaged classes of the first phase of liberalisation. Hence, there was a significant rise in real wages by 90% in the manufacturing sector, which, as Boratav et al argue (2000, p. 5), marks the end of an accumulation era characterised by wage suppression and export orientation. The liberalisation of capital account in 1989 comes as a response to this push and also from the urge to finance

[105] The average rate of growth between 1984 and 1987 was 6.7%, exports almost doubled from 5.7 billion dollars in 1983 to 10.2 billion dollars in 1987 and the proportion of current accounts deficit to GNP decreased from 3.3% to 2.2% (Boratav, 2010a). On the other hand, this growth was not translated into increased savings and investments as expected (Akyüz, 1990) and was achieved at the expense of high fiscal cost and also reinforced the oligopolistic structure in manufacturing (Yeldan, 1995).

[106] There was a decrease from 27.5% to 17.1% in the share of wage labour in private manufacturing value added, and from 25% to 13% in public manufacturing (Boratav, et al., 2000, p. 4). Real wages declined approximately 25% between 1980 and 1988, and real profits almost doubled in the same period (Yeldan, 1995, p. 54).

the public deficits, although, as will be discussed below, this will give rise to even greater public deficits in the first half of the 1990s (Akyüz & Boratav, KALDIR, p. 1551).

The first half of the 1990s until 1994 had seen a relative improvement in average wages and in terms of trade of agriculture, positively affecting the workers and the peasants in general. Adding to that, public expenditure also expanded as the government had the opportunity to finance public consumption with capital inflows. However, this "best of both worlds", as described by Boratav et al (2000, p. 27), meaning financial liberalisation coupled with higher levels of public services, was not sustainable and bumped into the crisis of 1994. The years following the 1994 financial crisis targeted the relative gains in wages and caused the "real wage rate in manufacturing sector" to fall by 25% between 1993 and 1998 (Cizre-Sakallıoğlu & Yeldan, 2000, p. 489). These up and downs in average real wages and public spending are coined as "the Turkish pendulum between orthodoxy and populism" by Boratav et al (2000, pp. 27-28). Yet, it should be noted that the wage increases only affected the peasants in a minor way and favoured only the organised and public sector workers when it came to the conditions of the working class. The informal workers who were increasing throughout the 1990s as a result of the migration from rural areas[107] to cities and especially because of the forceful migration of the Kurdish population[108] and were employed in small and medium scale enterprises scattered all around Istanbul and Anatolian cities, never benefitted from these rises.

[107] As underlined by Boratav et al (2000, p. 24), the main defence mechanism of poor peasants against falling real prices for agricultural products is migration to bigger cities to get involved in urban economy or becoming wage labourers within the rural economy.

[108] As a result of the conflicts in Eastern and South-eastern areas, there was a huge flow of people from villages and cities of these areas to better developed western cities. There are no official figures concerning the size of Kurdish migration to western cities. According to Saraçoglu's (2011, pp. 101-103) estimates, the Kurdish migrants comprised of 8.3% of the total urban zone population in Istanbul, totalling up to 1,041,253. With this figure, Istanbul "harbours the largest migrant Kurdish community" in Turkey (Saraçoğlu, 2011, p. 103). This huge movement of people from the East of Turkey to western cities, where industrialisation and therefore need for cheap labour are high, and especially to Istanbul, had considerable effects. As for the flexible capitalist production system, these large masses of people, who are piled up in the slums of Istanbul and other cities, form a large share of the reserve army of labour available at any time, only for considerably low costs within a hand reach of the capital. Another study on the migration and relocation of population in Turkey (HÜNEE, 2006, p. 91) concluded that 44.3% of the people who migrated to urban areas from Eastern Turkey for security reasons were not employed at the time of the study; and 49.3% of these employed migrants were working informally without social security, which confirms their situation as a reserve army of labour and as low cost, flexible and precarious labour in the urban areas of Western Turkey. They are not only reserves of low cost labour, but also have a suppressing effect on the wages of the established workers; and also within this respect act as a disciplining force for them. The "competitiveness" of Turkish capitalism in the 1990s and 2000s is highly dependent on this supply of cheap labour from the areas of ethnic conflict. This also has significant results for Turkish agriculture, since a considerable fraction of the Eastern and South-eastern peasants are forced to leave their villages as measures of national security and their agricultural activities are restrained. These people work as seasonal agricultural workers in other agricultural areas and constitute a vivid example of proletarianisation within agriculture. See also section 3.5.

Real wages in the public manufacturing sector had been declining during the first phase of market liberalisation characterised by export oriented growth until the end of the 1980s, and demonstrates a significant growth between the years 1987 and 1993, when the financial crisis hits (Boratav, et al., 2000, pp. 10, figure II-1). Real wages in the private sector companies employing more than 500 people, which implies a more or less organised labour force, roughly follows a similar pattern. Yet, wage cost of the private manufacturing sector employing between 10-49 people, being slightly above the minimum wage level, and the wage cost of informal labour, being slightly below the minimum wage level, seem to be mostly unaffected by the changes in the wage levels. This indicates that the 1980s and 1990s are increasingly characterised by the segmentation of the labour market; and the lower end of the unorganised and informal labour provides the competitiveness of the export oriented industry, especially the small and medium sized companies which became known as the Anatolian Tigers in the literature.[109]

The rise of informal and/or insecure labour in the slums of the bigger cities of Anatolia and of Istanbul is also very much related with another important aspect of the decade's political atmosphere: the rise of political Islam and Welfare and Virtue Parties (RP and FP) as predecessors of JDP. These marginalised people, who are excluded from the urban life through being in slums and lacking social and educational capitals, and who are appealed to -in the absence and/or weakness as a result of the 1980 coup of a leftist politics that underline social justice and equality- by the discourses of the "just order" of Welfare Party and its conspiratorial opposition to the "interest lobbies" and anti-Semitic scapegoating of international power groups as playing games on Turkey and Muslims in general, form one of the social bases of political Islam (Gülalp, 2001). After achieving considerable success and about one fifth of the valid votes in the 1994 local elections, WP became the major coalition partner following the success in 1995 general elections until their leader Erbakan was stepped down after a "soft" military intervention on 28th February 1997.

The Welfare Party's critique of the interest lobby within Turkey partially pointed to a truth in 1990s Turkey. As a result of the liberalisation of capital transactions and high public sector borrowing requirements, the state extensively issued debt instruments with increasingly high interest rates in the domestic asset markets, which were bought by the domestic actors and especially by the banking sector that financed these buys through

[109] See for example Buğra (1998) for a cultural analysis of these companies focusing on their distinction from the "secular" fraction of capital, Demir et al (2004) for its relation with the Islamic capital, Hoşgör (2011) for a critique of those approaches.

external market operations, consequentially leading to a "speculative rentier type of accumulation" with extreme profits for the banking sector except during financial crises (Boratav, et al., 2000, pp. 7, 25). As a result of the short-termism of domestic debt management, net domestic borrowings, "as a ratio of the stock of the existing debt" rose significantly from around 50% in 1990 to 105% in 1993 and 163.5% in 1996; resulting in a trap of "short-term rolling of debt". The continuation of this kind of public borrowing, however, entails a sustained inflow of short-term capital (Boratav, et al., 2000, p. 25); that is, "hot money" as discussed in Turkish political economy literature. This dependence on hot money inflows makes the deregulated financial markets of Turkey quite fragile and has been considered as the main factor behind the crises of the 1990s in Turkey (Akyüz & Boratav, KALDIR; Boratav & Yeldan, 2006; Boratav, et al., 2000; Cizre-Sakallıoğlu & Yeldan, 2000)[110]. In addition, although the inflow of hot money causes fragilities in the economy, its sustained inflow is conditioned on a stable economic and political environment. That is why, following each crisis, a stabilisation programme is declared and stand by agreements are made by IMF in order to follow these stabilisation programmes. The April 5 programme, declared by the Prime Minister of the time Tansu Çiller, was such a programme and followed the crisis of 1994. A stand-by agreement with IMF was started after two months of this stabilisation programme but did not live long as a result of the weak commitment of the government of the day and ended in 1995. Likewise, just before the Russian crisis broke, the government started another disinflationary stability programme with IMF in July 1998 but could not follow it through due to the approaching election, the Russian crisis and two subsequent big scale earthquakes in 1999. After the general elections, another restructuring and reform programme started in April 1999 and was supported by a stand-by agreement with the IMF in December (Ertuğrul & Selçuk, 2001, pp. 7-8). This marks the start of a ten-year period of IMF surveillance until 2008 and will be discussed in the next chapter. Yet, a point

[110] This critical literature on "hot money" is quite important and points to a significant reality. However, they overlook the meaning of "money" and "capital" entering into an economy. Although most of them are engaged with a Marxian understanding of social reality; coming from an economist background, they tend to consider money and capital uncritically as mere economic categories. They miss the idea that, "capital" and "hot money" are social relations; they are the dead labour sucked from the livelihood of the labourers. And when they enter into a country, they also come with a social relation embedded in their existence. That is to say, "hot money" or long-term/short-term capital, exists for a single reason: to beget more money. And this more money is only made possible through the appropriation of the surplus created by the labour. They may seem to come and take the high and appealing interest offered by the government and then go away, but the money, as a relation, persists. Interest rates are bets on the future exploitation of workers (Holloway, 1990; Bonefeld & Holloway, 1996), and it is no coincidence that after each crisis the governments squeeze the wages to the social extent possible. Therefore, financial liberalisation and more money coming into a country means more abstract hours to be worked, more people to be proletarianised, more commons to be enclosed, more people to be stripped of their means of production to become doubly free labourers.

raised by Ertuğrul & Selçuk (2001, p. 8) is significant: “the continuation of the disinflation program and the stability of the banking system in the short run depends on short-term capital inflows”, thus the goverment(s) should create “an environment in which foreign direct investment find itself comfortable”.

1990s also witnessed an emphasis on the need for market-friendly regulatory reforms, in contrast with a withdrawing state; and this was reflected in the process of depoliticisation of economic management; what Bedirhanoğlu & Yalman call a euphemism that was brought about by the discursive redefinition of the boundary between the state and the market, which was enabled by the crises following financial liberalisation (2010, p. 115). Independent regulatory agencies started to be established in this period, and proliferated very quickly between 1999 and 2002. At the end of the decade of political turmoil, weak coalitions and economic crises, all of the major parties from centre right to centre left and to pro-Islamic, argues Türel (2000, p. 203), “clearly shows that they are all committed, in varying degrees, to a 'leaner' state, no additional tax effort, privatisation, and social security and health reforms of a 'market-friendly' kind”. However, most of these 'market-friendly' reforms, which were only partly implemented under the politically unstable conditions of the 1990s, would be realised in 2000s by a different party to be founded in 2001, JDP; in successive one-party governments under an increasingly authoritarian administration.

**Table 10 Main Economic Indicators of the Turkish Economy in the 1990s**

| **Years** | **1989** | **1990** | **1991** | **1992** | **1993** | **1994** | **1995** | **1996** | **1997** | **1998** | **1999** | **2000** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **GDP growth (%)** | 0.3 | 9.3 | 0.9 | 6.0 | 8.0 | -5.5 | 7.2 | 7.0 | 7.5 | 3.1 | -3.4 | 6.8 |
| **Unemployment Rate (%)** | 9.1 | 8.5 | 8.7 | 9.0 | 9.4 | 9.1 | 8.1 | 7.1 | 7.3 | 7.4 | 8.2 | 7.0 |
| **Export/Import (%)** | 73.6 | 58.1 | 64.6 | 64.3 | 52.1 | 77.8 | 60.6 | 53.2 | 54.1 | 58.7 | 65.4 | 51.0 |
| **Import/GDP** | 11.1 | 11.1 | 10.5 | 10.9 | 12.3 | 13.2 | 15.8 | 17.9 | 19.1 | 16.9 | 16.4 | 20.5 |
| **Export/GDP** | 8.1 | 6.5 | 6.8 | 7.0 | 6.4 | 10.2 | 9.6 | 9.5 | 10.4 | 10.0 | 10.7 | 10.5 |
| **Current Account Deficit/GDP** | 0.7 | -1.3 | 0.1 | -0.5 | -2.7 | 1.5 | -1.0 | -1.0 | -1.0 | 0.7 | -0.4 | -3.7 |
| **Foreign Debt (billion US$)** | 43.9 | 52.4 | 53.6 | 58.6 | 70.5 | 68.7 | 75.9 | 79.3 | 84.3 | 96.3 | 103.1 | 118.6 |

**Source: Ministry of Development** (MoD, 2016)
The data has been compiled by the author from various tables, which are available on Ministry’s website under ‘economic and social indicators’ page.

## 3. Agriculture in the 1990s

This part will focus on the developments concerning the agricultural sector in the 1990s. It will briefly touch upon the place of agriculture within the economy, then discuss the policies and the legal framework, and then elaborate upon the changing production process, property relations and social composition in this period.

### 3.1. Positioning Agriculture within the Economy

In line with the betterment of the conditions for working class in the beginning of the 1990s, farmers were also better off; following the 1989 spring demonstrations, decreasing power of MP and following coalition governments. Furthermore, despite a short period of decline after the 1994 crisis, incomes of farmers continued to rise throughout the decade, unlike wages. Internal terms of trade of agriculture, which shows the difference between the prices received by farmers and the prices paid by farmers, increased by 80.4% between 1988 and 1998, with an annual average increase by 4.7%; with the exception of 1994, when a decline by 11.4% was experienced after the crisis (Boratav, 2013b, p. 56). By 1998, it reached its maximum and never reached that level again throughout the 2000s (ibid). Therefore, it can be suggested that the populist policies followed by coalition governments in the 1990s helped the peasantry to experience relative relief in this decade. When compared with the external terms of trade of agriculture, it is observed that the internal terms of trade keep above the external ones throughout the decade; showing the fact that domestic policies matter even under a process of trade liberalisation (Boratav, 2013b, p. 57).

The contribution of agriculture in GDP and the growth rate of the sector in the 1990s are shown in the table below. Sector share of agriculture continuously decreases in the 1990s and reaches 10% by the end of the decade. It is worth noting that it was around 26% in the beginning of the 1980s, and remained under 10% throughout the 2000s. This downward trend of the contribution of agriculture is in parallel to the modernisation of the Turkish economy. Similarly, the growth rate of the agricultural sector remains below that of GDP throughout the decade; with the only exceptions of the crisis years of 1994 and 1998.

**Table 11 Share of Agriculture in GDP and Growth Rate of Agriculture and GDP (%) – 1990s**

| Years | Sector Share in GDP | AGR Growth Rate | GDP Growth Rate | Years | Sector Share in GDP | AGR Growth Rate | GDP Growth Rate |
|---|---|---|---|---|---|---|---|
| **1989** | 16.4 | -7.7 | 0.3 | **1995** | 15.5 | 1.3 | 7.2 |
| **1990** | 17.3 | 7.0 | 9.3 | **1996** | 16.6 | 4.6 | 7.0 |
| **1991** | 15.1 | -0.6 | 0.9 | **1997** | 14.2 | -2.2 | 7.5 |
| **1992** | 14.8 | 4.3 | 6.0 | **1998** | 12.1 | 9.6 | 3.1 |
| **1993** | 15.3 | -0.8 | 8.0 | **1999** | 10.2 | -5.7 | -3.4 |
| **1994** | 15.4 | -0.6 | -5.5 | **2000** | 9.9 | 7.1 | 6.8 |
| **Source:** (TURKSTAT, 2013b) | | | | | | | |

The share of the rural population also decreased from 41% to 35% in this period (Oral, 2013, p. 446), which is another indicator of the long-lasting modernisation process. However, this decline remains at a limited pace in the 1990s, compared to the decades preceding and following it.[111] This underlines the slow character of the agricultural transformation process because of the unstable political and economic conditions of the country in this period. The retrenchment of the share of the agricultural sector in total employment also continued in the 1990s; it decreased from almost 47% in 1990 to 36% in 2000 (Oral, 2013, p. 447).[112]

**Table 12 Agricultural Foreign Trade (million$)* - 1990s**

| Years | Export | Import | Balance | Years | Export | Import | Balance |
|---|---|---|---|---|---|---|---|
| **1990** | 2,025 | 1,137 | 888 | **1996** | 2,153 | 2,166 | -13 |
| **1991** | 2,369 | 675 | 1,694 | **1997** | 2,354 | 2,417 | -63 |
| **1992** | 1,923 | 924 | 999 | **1998** | 2,357 | 2,125 | 232 |
| **1993** | 2,072 | 1,357 | 715 | **1999** | 2,058 | 1,649 | 409 |
| **1994** | 2,033 | 882 | 1,151 | **2000** | 1,659 | 2,123 | -464 |
| **1995** | 1,840 | 1,907 | -67 | | | | |
| ***According to ISIC-Rev.3**<br>**Source:** (Oral, 2013, p. 452) | | | | | | | |

The table above demonstrates foreign trade numbers for the agricultural sector. In line with the trade liberalisation policy in the post-1980 period, the volume of foreign trade increased enormously. The 1990s show continuity in this manner, as both exports and imports increase within this period. When it comes to agriculture, however; imports increase whereas exports nominally decrease. Similar to the general trend, by the end of the decade, the agricultural sector was also giving a balance of trade deficits. The 1990s are peculiar in

[111] See Chapter 5 and Chapter 7, for the data for the 1980s and 2000s, respectively.
[112] See section 3.5.

this sense, as agricultural imports reached and even surpassed the level of agricultural exports in the second half of this decade. Imports had risen but remained below the level of exports throughout the 1980s and the change in foreign trade balance mid-1990s onwards became a trend that continued in the 2000s as well. This trend meant the end of long-lasting self-sufficiency for the country. Ironically, the shift from import substitution to export promotion created the reverse effect for the agricultural sector. Turkey had turned into a food exporting country as a result of this shift, but was able to sustain this only based upon increasing imports of agricultural raw materials. The changing place of Turkey in the international division of labour in terms of food and agriculture, which is reflected in the trade deficits, had implications for the production process; as producing for external markets under the new conditions of certification and standardisation necessitated substantive changes in traditional forms of Turkish farming.[113]

### 3.2. Agricultural Policies

The restructuring process in post-1980 Turkey, entailing both changing state-economy relations and opening up of the economy once again through the shift towards export orientation, continued to have effects on the agricultural sector in the 1990s. It is worth noting that, in the period between 1980 and 2000, this effect has been relatively slow compared to the post-2000 period; however, similar to the decade following 1980, the 1990s also witnessed the strengthening of the neoliberal mentality in the country as a whole, leaving none of the specific markets outside. This should be kept in mind when looking at the agricultural policies of the 1990s as they are not unique to the decade, but rather show continuity in content. Another point to be kept in mind is the unstable character of the decade both in political and economic terms; reflected in the slow character of implementation of the agricultural policies made in the 1990s that will be discussed in this section. The agricultural policies of the decade mainly include further liberalisation of trade, privatisation of State Economic Enterprises (SEEs), elimination of state support mechanisms, restructuring of the Agricultural Sales Cooperatives and their Unions (ASCUs) and that of the Ziraat (Agricultural) Bank.

These policies came on to the agenda in 1994. As already discussed above, the 1994 crisis was a turning point within the 1990s, after a period of relative increase in the incomes

[113] See section 3.4 for changing production process in the 1990s and Chapter 7 for further developments.

of labouring classes. On April 5th, a new stabilisation package was declared, parallel to the neoliberal programme of January 24th, 1980. Agriculture-related decisions within the April 5th package can be summarised as follows: Support purchases by the state will be stopped for all agricultural crops but cereals, sugar beet and tobacco. This points to a further restriction, compared to the previous decade, when the number of the products within the scope of support purchases had already been reduced to ten. Agricultural input subsidies will be restricted; prices of the inputs distributed by the state will be determined by market conditions, underlining further marketisation of the sector. Agricultural institutions and ASCUs will not be directly or indirectly financed by the Central Bank, which breaks their long standing relationship with the state. Measures will be taken to limit cultivated areas and to decrease production for crops with excess supply (especially tobacco). EBK (Meat and Fish Authority) and YEMSAN (Forage Industry) will be privatised as soon as possible. TZDAŞ (Turkish Agricultural Equipment Inc.) will be closed, if not privatised by the end of 1994; and TEKEL (Tobacco and Alcohol Monopoly) Ankara and Bomonti beer factories and Cibali cigarette factories will be closed by the end of 1994 (Oral, 2006, p. 86). The austerity measures implemented following the 1994 crisis had negative impacts on all wage and salary earners; and as government expenditure on agricultural support was limited, the peasantry also suffered in consequence. However, the implementation of these decisions was very short-lived; state supports were increased again in 1995 with the effect of upcoming elections and privatisation targets could not be achieved, apart from YEMSAN which was privatised in 1995 (Önal, 2012, p. 150). It can, therefore, be argued that April 5th Decisions only constituted an expression of the target of deepening policies favouring marketisation in agriculture, rather than achievement of that target. Beginning from the second half of the 1990s, these policies have been expressed more openly and more frequently, creating a transitory phase for their achievement in the 2000s.

Trade liberalisation, one of the policies to be discussed here, was among the main pillars of the restructuring process in post-1980 Turkey when the volume of foreign trade rose significantly. The export-led growth model resulted in a rise in not only exports, but also imports in general. For agricultural crops, whereas Turkey was a net exporter until 1980 thanks to the protectionist measures, this condition changed after 1980. By 1990, the balance of foreign trade had already changed in favour of imports. In the 1990s, agricultural trade was further liberalised, especially with the involvement of international actors such as World Trade Organisation (then GATT) and the European Union. GATT Uruguay Round Agreement on Agriculture (URAA) signed in 1994 and one of the milestones in the

transformation of Turkish agriculture, was very important in this sense (WTO, 1994). In signing this agreement, members declare that their long term objective "is to establish a fair and market-oriented agricultural trading system and that a reform process should be initiated through the negotiation of commitments on support and protection and through the establishment of strengthened and more operationally effective GATT rules and disciplines" (WTO, 1994). According to the agreement, member states should not resort to market-distorting protection and support measures and guarantee the free and effective functioning of the trade of agricultural crops. They commit to reduce export subsidies[114] in order to improve export competition (WTO, 1994, pp. Articles 8-9). Despite the fact that the agreement includes a commitment on behalf of developed countries to take into account possible negative effects of their actions on less developed countries (WTO, 1994, p. Article 16); URAA was "creating dependent agricultural structures for less developed countries and strengthening those countries with a comparative advantage in exports" (Günaydın, 2010, p. 165). Another step taken in trade liberalisation was the signing of the Customs Union with the EU in 1996. Processed agricultural crops ingredients of which are cereals, milk and sugar were included in the scope of the Customs Union, whereas those based on fresh fruit and vegetables, for which Turkey has a comparative advantage, were not; therefore, the resulting balance of trade favoured the EU in the years following 1996 (Günaydın, 2010, pp. 53-54). The negative effect of trade liberalisation on the agricultural sector can be seen in the changing place of the sector within Turkish economy in 1990s, as demonstrated above.

Another policy to be mentioned is the privatisation of agricultural SEEs. The SEEs within the scope of privatisation had been determined in the Privatisation Master Plan, prepared by Morgan Bank in 1986, as discussed in the previous chapter. The agricultural SEEs among those SEEs to be privatised were YEMSAN, TİGEM (General Directorate of Agricultural Enterprises), EBK, ÇAYKUR (Tea Monopoly), TÜGSAŞ (Turkish Fertiliser Industry Inc.), TŞFAŞ (Turkish Sugar Factories Inc.), TMO (The Board of Soil Products), and TZDAŞ. Although the list expanded with the inclusion of other SEEs in time; realisation of the privatisation process for agricultural SEEs has been far from easy and quick. The agricultural SEEs privatised in the 1990s and their privatisation dates are SEK, 1993-1998; YEMSAN, 1993-1995; EBK, 1995-2000; KÖYTEKS, 1995-1998; ORÜS, 1996-2000; TZDAŞ, 1998-2000, TÜGSAŞ, 1999 (ABGS, 2001). Privatisation targets were only partially achieved and this happened only in the second half of the decade. That these institutions were

[114] How the export-led growth had been pursued thanks to export promotion policies throughout the 1980s has been discussed in Chapter 5.

a burden on the state, not only contributing to public debt but also distorting the effective functioning of the market, was the justification for their privatisation. In order to increase efficiency in agricultural markets and rescue the state from this burden, they had to be transferred to the private sector. However, these privatisations were made "without proper consideration of the implications for producers" (Aydın, 2009, p. 228). The retreat of the state from the production and distribution processes of agricultural products had negative implications for both farmers and employees of the privatised SEEs, as expected.

In line with the changing role of the state, one further policy is the elimination of state support for agriculture. Until the 1980s, the state was existent in an institutional form in agriculture in all phases of production and distribution. Through SEEs, it was engaging in production and marketing processes of agricultural crops, and mostly was the monopoly itself. Beyond this institutional appearance, there were various support mechanisms, ranging from setting a minimum price for the products and guaranteed purchasing of the products, to input and credit supports through both cooperatives and public banks. Post-1980 Turkey witnessed a gradual elimination of these agricultural support mechanisms, together with liberalisation and privatisation processes. The number of crops within the scope of support purchases by the state had already been decreased from 24 to 10 between 1980 and 1990 (Günaydın, 2010, p. 168). Wheat, barley, rye, corn, rice, oat, tobacco, sugar beet, poppy and chickpea were the products remaining in that scope in the beginning of the decade. Parallel to the relative betterment of the conditions in the first years, that number was increased to 24 in 1991 and to 26 in 1992; however, following April 5 Decisions, it was once again decreased to 9 in 1994 (ibid). Total elimination of the existing support system was targeted by the end of the decade.

Following WTO, which defined the basics for the reform towards a market-oriented agricultural trading system through URAA in 1994; IMF was also involved in the agricultural restructuring process through the Stand-by agreement of 1999.[115] The letter of intent given to IMF on December 9, 1999, another milestone in the transformation of Turkish agriculture showed Turkey's commitment to take further steps in this process and facilitated it to some extent. The part devoted to agricultural reform within the letter puts forward that "[p]resent agricultural support policies are not the most cost-effective way of providing support to poor farmers. They distort resource allocation by distorting market price signals, tend to benefit

[115] Involvement of World Bank through the agricultural adjustment loan in 1985 had been discussed in Chapter 5 and how it will play a significant role in designing the implementation of the reform in the 2000s will be shown in Chapter 7.

rich farmers more than poor ones, and lack coherence" (Önal & Erçel, 1999) A more market-friendly and cost-effective support system is to be developed in the upcoming decade. The Turkish government underlines their commitment to do so in the letter, by stating that the "medium-term objective of our reform programs to phase out existing support policies and replace them with a direct income support system targeted to poor farmers… [will be completed] by end-2002" (ibid). Whereas the previous support mechanisms were directly based on production, direct income support (DIS) is decoupled; that is, independent from production. It replaces guaranteed realisation of the product or provision of seeds and equipment in the production process with cash. In this sense, DIS is more appropriate with the new role of the state in post-1980. Instead of providing the poor with employment as it did in the developmentalist period between 1960 and 1980, the state is now fighting against poverty with charity. On the one hand, this results in farmers' detachment from agricultural production; on the other hand, it increases their dependency on cash money. It is stated in the letter of intent that the DIS "system would be based on a farmers' registration system that would be completed by March 2001" (ibid). Registration is itself a challenge in a Turkish context.[116] Furthermore, as the support is dependent upon the size of the registered land, small farmers become more disadvantaged under this system; in contrast with how it was justified. In the letter of intent, it is also emphasised that the support prices will be determined in the market, according to world prices. This means that state purchasing, the scope of which is already limited, will also be realised based upon market conditions.

As part of the elimination of state support, another policy is the restructuring of ASCUs. Similar to the agricultural SEEs, ASCUs were regarded as a burden on the state, but when the proportion of agricultural support to GNP is taken into consideration, which was 0,8% between 1999 and 2000, this claim is not substantiated (Aydın, 2009, p. 230). Agricultural Cooperatives were providing their members with cheap inputs like seeds, pesticides and equipment, and also credits. Marketisation of these provisions was in line with neoliberal policies. However; beyond that, it is the "principle of cooperation" targeted by the restructuring of ASCUs (ibid). This principle of cooperation was the only thing bearing the

[116] Most of the lands in Turkish rural areas remained unregistered until recently. In most of the places, lands are divided into small shares through inheritance and the transfers to inheritors are poorly registered complicating the situation. In a context where even lands are not efficiently registered, registering –especially small- farmers is not an easy job, given also the fact that the division of labour within big families is not very clear. Although the promise to establish a farmers' registration system was given at the end of 1990s; recent news from December 2014, about the 100th farmer registered in the Agricultural Information System in Manisa, who was awarded with a plaque, a hat and a box of baklava, shows how this process is still far from being completed (Milliyet, 2014).

opportunity for organising farmers in the absence of viable trade unions or political parties representing their interests. Dissolution of agricultural cooperatives was therefore a significant step before the extensive transformation of the 2000s.[117] Restructuring of the ASCUs was also mentioned in the letter of intent to the IMF as part of the *rationalisation* of agricultural support and it is suggested that "the draft law granting ASCUs full autonomy will be passed by parliament by March 2000", through which they will be purified from political pressures (Önal & Erçel, 1999). Another component of the so-called rationalisation process is the gradual phasing out by government of the credit subsidy to farmers. It is stated in the letter of intent that the "total cost of credit subsidies sustained by Ziraat Bank and Halk Bank will decline from an estimated 1.2 percent of GNP in 1999 to 0.6 percent of GNP in 2000" (ibid). As the amount of credits given by public banks decreases, and in the absence of previously available credit supports from cooperatives, farmers will become more dependent upon private banks for getting credits with higher interest rates; making things harder for farmers, on the one hand; and supplying the strengthening financial sector with a huge number of new customers, on the other.

To reiterate, agricultural policies of this decade are in line with the general restructuring of post-1980 Turkey, but they also reflect the characteristics of the 1990s, mainly financialisation. However, they were implemented rather slowly due to political instability. 1994 GATT URAA and 1999 IMF Stand-by Agreement constituted two important developments promoting the transformation of agriculture in the 1990s, portraying that crises create an appropriate environment for international institutions' involvement through conditionalities. On the other hand, the directives of these institutions do not bear consequences unless domestic policy-makers and implementers take over the process. In order to find out to what extent the transformation process was internalised, it is necessary to look at whether the policies discussed here were reflected in the domestic legal framework.

## 3.3 Legal Framework

Regarding the new agricultural policies, not many laws were enacted in this period, because of the unstable characteristics of the period both in political and economic terms. On the one hand, coming to an agreement on certain topics and making relevant legislations was much harder in a parliament of relatively mixed opinions throughout successive coalition

[117] The restructuring of ASCUs, which was completed in the first decade of the 2000s, is discussed in detail in Chapter 7.

governments. On the other hand, the continuous fragile state of the economy made it even harder to push the transformations further through new legislations.

Financialisation in the 1990s meant increased use of credits that resulted in increased debts; in this sense, it acted as a disciplinary force on farmers. Maintaining agricultural production with higher input prices obliged them to resort to credits, but high interest rates were making it harder to pay their debts back. That farmers, who had already been negatively affected from the post-1980 policies of retrenchment of support mechanisms, have difficulty in managing their debts was brought forward in parliament; and two laws regarding writing off debt interests were enacted in 1992 and 1995.[118] These can be considered as a step back from the policies, whereas on the other hand they contributed to their maintenance by providing farmers with short-term relief.

Following the 1994 URAA and as a reflection of it, Law number 4113 that regulates the issues of trade of fruits and vegetables, agricultural sales cooperatives and food, among others, was made in 1995.[119] It underlines the necessity to reorganise trade relations in compliance with the EU and WTO requirements. According to the Law, the Council of Ministers should ensure that brands and geographical signs are protected (Art. 3-a); that the trade of raw vegetables and fruits is handled in accordance with quality and health standards and free market rules (Art. 3-b); that wholesale halls are modernised (Art. 3-d); that ASCUs are operated and managed based on democratic principles (Art. 3-g); and that Turkey follows EU food standards and norms (Art. 3-h). Besides the trade liberalisation that marked this period, modernisation and standardisation, which will be taken a step further in the 2000s, also found their expression in this law.

Apart from these, no significant laws concerning agriculture were adopted in the 1990s; and compared to the development plans and government plans of the 2000s, the plans of this decade have only a limited interest in agriculture. In the 6$^{th}$ Five-Year Development Plan (1990-1994), it is stated that "agricultural reform practices will be maintained in a structure targeting technological development and efficiency" (Kayıkçı, 2009, p. 219). The

[118] Law number 3782 on the debts of farmers to Ziraat Bank and Agricultural Sales Cooperatives was accepted on 5/3/1992. The second law number 4106, dated 27/4/1995, covered the debts to TİGEM, TZDK, TMO, and General Directorate of Forestry and Rural Affairs, in addition to Ziraat Bank and ASCs. While both laws wrote off a certain amount of debt interests, that the scope expanded underlines how the credit sources also expanded for farmers in this period.

[119] Accepted on 8/6/1995; the Law covers a wide range of topics including patents, utility models, brands, geographical signs, industrial designs, trade of raw vegetables and fruits, wholesale halls, chambers of commerce and industry, Turkish Union of Chambers and Commodity Exchanges, tourism management, and agricultural cooperatives; and also makes amendments to previous laws like the Commercial Code, Capital Market Law and Customs Law.

7th Plan (1996-2000) includes a projection about "enactment of a land law regulating some areas like land allocation, protection of lands against erosion, production planning" as part of rural infrastructure (ibid). This law on land protection and use will only be made in the 2000s.

### 3.4. Production Process

The opening up of the Turkish economy in the post-1980 period, increasing in the 1990s with financialisation, also resulted in some changes in the production process of agricultural crops. To begin with, it is worth noting that mechanisation of agriculture continued; the table below shows the change in agricultural equipment and machinery during the 1990s. Within this decade, the number of tractors increased by 36%, whereas that of ploughs decreased by almost 70%. Rather than being specific to the 1990s, increasing mechanisation reflects the ongoing modernisation of Turkish agriculture. However, trade liberalisation, corresponding domestic regulations and higher involvement of transnational companies accelerated this process and account for the remarkable decline in the use of backward equipment in agricultural production, such as the plough. In this period, there was no significant rise in labour productivity in agriculture (TÜSİAD, 2005, p. 96).

**Table 13 Agricultural Equipment and Machinery – 1990s**

| **Years** | **Tractor** | **Combine Harvester** | **Plough** |
|---|---|---|---|
| **1990** | 692,454 | 11,741 | 500,834 |
| **1995** | 776,863 | 12,706 | 316,717 |
| **2000** | 941,835 | 12,578 | 152,744 |
| **Source:** (Oral, 2013, p. 482) | | | |

It has already been mentioned above that whereas Turkey used to give foreign trade surpluses in agricultural crops, the amount of imports increased and caught up to that of the exports in 1990s. Among the agricultural crops exported in 1990s, the share of fruits and vegetables increased showing the trend of specialisation by Turkey. This trend reflects the new international division of labour in the production and trade of agricultural crops, according to which peripheral countries specialise in labour-intensive, high-value commodities, while the centre specialises in capital-intensive, low-value ones (McMichael & Reynolds, 1994). This causes a shift away from traditional crops for Turkish peasantry, despite the fact that this shift has been experienced slowly (Aydın, 2010, p. 156).

Turkey's integration with the global commodity chains and its place in the international division of labour does not only determine which products to be produced, but also how and by whom they will be produced. For commodities carry the relations behind them wherever they go. Firstly, new actors emerged in agricultural production. As the public sector retreats from agriculture, transnational agro-food companies penetrate into the Turkish agricultural market. They establish partnerships with national capital groups and invest in agricultural production in Turkey. The number of companies with foreign capital increased from 32 in 1987 to 65 in 1998 in agriculture, from 38 to 139 in food processing and from 8 to 198 in catering (Yenal, 2013, pp. 117-8). Food industry had the highest level of foreign investment within the total manufacturing industry in 1998 (ibid).[120] The 1990s wave of financialisation facilitated the flow of FDIs and therefore facilitated the penetration of transnational agro-food companies into Turkish agriculture. Privatisation of the SEEs creates a similar opportunity for them, but as stated above the process concerning agricultural SEEs was not very smooth in the 1990s. In the 2000s, foreign capital would invest at a greater volume in the production process thanks to the transfer from national to international capital of the huge market shares owned by agricultural SEEs. In addition to financialisation, the 1990s witnessed the proliferation of Western style fast food culture, new food products such as frozen goods or ready meals, and supermarkets, creating corresponding consumer demands; as another contributing factor to the increasing investment by the foreign capital in food industry (Yenal, 2013, p. 120; Keyder & Yenal, 2013). Therefore, the resulting rise in the import of food products in the 1990s is not surprising. On the other hand, this new culture negatively affects the realisation of traditionally produced agricultural products. On the farmers' side, selling their non-standard product to the supermarket is a new and different experience when compared to selling them in traditional markets. For intermediaries, who had already been known as being among the appropriators of the agricultural surplus, pricing the traditionally produced goods at a lower rate is now easier.[121]

Secondly, the production process is itself restructured. As the end product is becoming more standardised, the inputs and technology used and the steps followed throughout production require standardisation as well. This brings the –increasingly internationalised- agro-food companies to such a position that they replace peasants in terms of having control over the production process. Organising the whole production process and having necessary technology and knowledge to create the product realisable in the market,

[120] For an analysis of Unilever and Nestle in Turkey, see Yenal (1999).
[121] It should be remembered that the return to organic, non-standard food is the trend of the next decade.

they gain dominance. This adds to the shift away from traditional crops and consequently farmers, especially small farmers, started to lose the power and role they used to have in the farming process for centuries (Aydın, 2010, p. 156). The small peasantry has been detached from the production process, from the power to organise it and even from the knowledge to comprehend it as a whole. Even if they continue to produce on the land they possess, they become one of the inputs of production, labourers of it, rather than owners of the means of production.

For the developments mentioned above, contract farming, which proliferated in the 1990s, worked as a significant medium. This is not a new phenomenon for Turkey, as production based upon contracts can be seen beginning from the second half of the 1960s. In that period, TİGEM[122] and TŞFAŞ engaged in contract farming in seed and sugar beet production respectively (Ulukan, 2009, p. 129). In the 1970s, the private sector also started to engage in contract farming, again in seed and sugar beet, and also in industrial tomato used in the tomato paste industry (ibid). What differentiated the 1990s from the previous eras is the involvement of foreign firms; for example, Rothmans engaged in contract farming in Virginia and Burley type tobacco in Bolu, Adapazarı and Balıkesir, and Cargill in sunflowers and genetically modified maize in Mustafakemalpaşa, Orhangazi, Konya Karacabey and the Aegean regions (Aydın, 2010, p. 179). Although tobacco and sugar are crucial products, the markets of which will go through a drastic restructuring process in the 2000s, implementation of contract farming in the 1990s was not limited to these products. It proliferated in different regions and products including sugar beet, fruits, vegetables, tobacco, seed, durum wheat, wine grape, malting barley, cut flowers, tomato, peas, turkey, chicken and eggs (Ulukan, 2009, p. 130). Transnational corporations started to have a direct say in the whole production process through contract farming. Beyond having dominance over the organisation of production, they actively become a party of the contract under this system. In this sense, the contracts of the 1990s substantially differ from those of the 1960s, where peasants were signing the contracts with the state. In response to the discourse of the state that distorts effective functioning of free market due to political pressures, the state ceased to take place even as an arbiter in the signing of these contracts; which puts the disorganised small peasants into a difficult position against highly organised transnational corporations. Having lost their traditional dominance within the agricultural production process, peasants further lose even their bargaining power through the contract farming system.

[122] State Production Farms that will be part of TİGEM in 1984.

## 3.5. Property Relations and Social Composition

It had been emphasised that the impact of the process of further marketisation on agrarian structures started to be felt in the 2000s; although the new set of agricultural policies were being implemented and agricultural production process was going through a transformation process in the 1990s. Therefore, no drastic changes concerning property relations and rural class composition were expected by the end of the 1990s. However, it is still worth having a look at some numbers and trends of the decade in this section.

The table below shows the percentage of the number of holdings and that of the land they own at different sizes in the beginning and at the end of the decade. According to this, land ownership structure has only slightly changed from 1991 to 2001. There is a slight decrease in the number of those having less than 50 decares and those having more than 500 decares, whereas the number of middle peasants slightly increases. Contrary to a social polarisation at the poorest and richest ends, there is a shift from these extremes to the group of middle peasantry. In this sense, this decade differs from the 1980s, when a process of polarisation was experienced as a portion of middle peasantry had been transferred to smaller and bigger holdings. The fact that peasantry was better off during the period characterised by crises played a role in this difference. Yet still, small and poor peasantry continue to constitute the majority in the 1990s, with 84% of the peasants possessing less than 100 decares.

**Table 14 Number of Agricultural Holdings and the Land They Operate, by Holding Size (1991, 2001)**

| **Results of General Censuses of Agriculture** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **1991** | | | | | **2001** | | | |
| **Holding size (decares)** | **Holdings** | | **Area** | | **Holding size (decares)** | **Holdings** | | **Area** | |
| | number | % | thousand decares | % | | number | % | thousand decares | % |
| **1-50** | 2,659,738 | 67 | 51,890 | 22.1 | **-49** | 1,959,123 | 64.8 | 39,344 | 21.3 |
| **50-100** | 713,149 | 18 | 46,751 | 19.9 | **50-99** | 560,049 | 18.5 | 38,127 | 20.7 |
| **101-200** | 383,323 | 9.7 | 49,217 | 21 | **100-199** | 327,363 | 10.8 | 43,884 | 23.8 |
| **201-500** | 173,774 | 4.4 | 46,487 | 19.8 | **200-499** | 153,685 | 5.1 | 42,075 | 22.8 |
| **501-1000** | 24,201 | 0.6 | 14,982 | 6.4 | **500-999** | 17,429 | 0.6 | 11,219 | 6.1 |
| **1001+** | 12,637 | 0.3 | 25,184 | 10.7 | **1000+** | 4,478 | 0.1 | 9,699 | 5.3 |
| **Total** | 3,966,822 | 100 | 234,511 | 100 | **Total** | 3,022,127 | 100 | 184,348 | 100 |
| **Source:** (Oral, 2013, p. 458) | | | | | | | | | |

Likewise, cultivating on farmers' own lands is a continuing characteristic of Turkish peasantry in this period. Whereas the amount of peasants farming only on their own lands was 92.57% in 1991, it decreased to 81.34% in 2001 (Günaydın, 2010, p. 263). On the other hand, this decrease is not insignificant, since it refers to a new trend in rural Turkey, which is an increase in the amount of tenancy-sharecropper relations; which can be explained by a relative impoverishment. For the poorest part of peasantry - temporary agricultural workers - the situation gets worse as the "competition both among themselves and between them and developing machinery becomes more violent" in this period, and thus represses wages (p. 266) when also combined with low labour productivity levels.

The share of agriculture in total employment decreased from 46.9% in 1990 to 36% in 2000. However; it is still the twice of the share of industry at the end of the decade; the share lost by agriculture within total employment was transferred rather to the services sector. On the one hand, despite the continuing relevance of the agricultural sector for the Turkish economy, the sector contracted considerably; the most important determinant of which was forceful displacement of Kurdish population, who had to cease contributing to agricultural employment. On the other hand, the crises that marked the period found their reflection in the slow growth of industry.

**Table 15 Employment by Economic Activity (%) – 1990s**

| Years | Agriculture | Industry | Service | Years | Agriculture | Industry | Service |
|---|---|---|---|---|---|---|---|
| **1990** | 46.9 | 15.3 | 37.8 | **1996** | 43.7 | 16.5 | 39.9 |
| **1991** | 47.8 | 15.2 | 37.0 | **1997** | 41.7 | 17.5 | 40.8 |
| **1992** | 44.8 | 16.2 | 39.0 | **1998** | 41.5 | 17.1 | 41.4 |
| **1993** | 42.5 | 15.9 | 41.6 | **1999** | 40.2 | 17.2 | 42.7 |
| **1994** | 44.1 | 16.5 | 39.5 | **2000** | 36.0 | 17.7 | 46.3 |
| **1995** | 44.1 | 16.0 | 39.9 | | | | |
| **Source:** (Oral, 2013, p. 447). | | | | | | | |

Another thing to be mentioned about agricultural employment is women's place in the sector. In 1990, whereas the share of women in total employment is 30%, that in agricultural employment is 50%, as seen in the table below. Despite the decrease in women's

employment in total in the 1990s, within agriculture their share remains high, which is explained by the "feminisation of agriculture"[123] (Günaydın, 2010, p. 267).

**Table 16 Gender Distribution in Employment**

| Years | Total Employment | | | Agriculture, forestry, hunting, fishery | | | Share (%) |
|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | |
| **1988** | 12,519 | 5,235 | 17,755 | 4,231 | 4,019 | 8,249 | 46.46 |
| **1990** | 12,902 | 5,637 | 18,539 | 4,372 | 4,319 | 8,691 | 47.87 |
| **1995** | 14,628 | 5,958 | 20,586 | 4,811 | 4,270 | 5,080 | 44.10 |
| **2000** | 15,780 | 5,800 | 21,580 | 4,261 | 3,508 | 7,769 | 36.00 |
| **Source:** (Günaydın, 2010, p. 265) | | | | | | | |

Being very cheap, even free most of the time, female labour is highly used in agricultural production. This is not surprising when it is considered that resorting to family labour is the main characteristic of Turkish agriculture. Unpaid family labourers constituted almost half of the people employed in the agricultural sector in 1990, and this situation changed only slightly by the end of the decade. Furthermore, that change comes from the increase in the number of agricultural workers in total. As it can be seen in the table below, it was the number of casual workers rather than waged/salaried ones that rose; indicating the consolidation of insecure working conditions for farmers.

**Table 17 Employment Status in Rural Areas (thousand)**

| Years | Waged/salaried | Casual workers | Employer | Self-employed | Unpaid family labour | Total |
|---|---|---|---|---|---|---|
| **1990** | 1,534 | 488 | 171 | 3,474 | 5,157 | 10,823 |
| **1999** | 1,478 | 912 | 200 | 3,573 | 5,208 | 11,371 |
| **Source:** (TURKSTAT, 2016)**.** The data is obtained and compiled by selecting the relevant variables from the dropdown menus in the provided website and generating required tables. | | | | | | |

Feminisation of agriculture also results from and thus underlines the phenomenon of migration, as reflected in the population statistics seen below. When peasants are detached from agricultural production, it is the men who leave the village first; either temporarily or permanently. The proportion of rural population, which had already been surpassed by that of urban by 1990, continues to decline throughout this decade. In this period, the difference

[123] See Deere (2005) for a discussion on this concept in the latin American context.

between urban and rural population increased significantly. The number of villages with a population of less than 250 increased from 10,886 in 1990 to 15,880 in 2000 (Günaydın, 2010, p. 257). Between 1991 and 2001, the number of households that left the places they used to live is 569,740 and 9.21% of the total households (p. 258).

**Table 18 Total, Urban and Rural Population by Years (thousand people) – 1990s**

| Years | Total Population | Urban Population | | Rural Population | |
|---|---|---|---|---|---|
| | | Nominal | % | Nominal | % |
| **1990** | 56,098 | 32,987 | 58.8 | 23,111 | 41.2 |
| **1991** | 57,272 | 34,345 | 60.0 | 22,927 | 40.0 |
| **1992** | 58,392 | 35,328 | 60.5 | 23,064 | 39.5 |
| **1993** | 59,513 | 36,323 | 61.0 | 23,190 | 39.0 |
| **1994** | 60,637 | 37,332 | 61.6 | 23,305 | 38.4 |
| **1995** | 61,763 | 38,353 | 62.1 | 23,410 | 37.9 |
| **1996** | 62,909 | 39,398 | 62.6 | 23,511 | 37.4 |
| **1997** | 64,064 | 40,460 | 63.2 | 23,604 | 36.8 |
| **1998** | 65,215 | 41,532 | 63.7 | 23,683 | 36.3 |
| **1999** | 66,350 | 42,605 | 64.2 | 23,745 | 35.8 |
| **2000** | 67,420 | 43,647 | 64.7 | 23,773 | 35.3 |
| **Source:** (Oral, 2013, p. 446) | | | | | |

The 1990s migration wave is best explained by the forceful displacement of Kurdish population.[124] As a result of the war in Eastern and South-eastern Regions, Kurds had to leave their villages and lands, ceased to engage in farming and participated in the cheap labour force not only in the cities of that region, but also in big metropoles, especially İstanbul (Keyder & Yenal, 2013, p. 161). Keyder & Yenal call this process "partial proletarianisation based on forceful dispossession" (p. 160). Kurdish migrants differ from previous proletarianised peasants. Since they have totally lost their connections back in their villages, which provide back-up reproduction sources in latter's case; neither did they have a network of relatives/fellow townsman, who would traditionally help them settle in; thus, the migrants of the 1990s had to work under worse conditions, mostly in temporary and informal jobs (p. 163) in line with the labour market conditions of the decade.

That the migration from rural to urban areas is explained by the displacement of Kurds does not necessarily mean that the remaining part of peasantry did not detach from agriculture in this period. Another form of proletarianisation coined by Keyder & Yenal is

[124] This is the continuation of the process that started in the first half of the 1980s, which was covered in the previous chapter.

"temporary proletarianisation" (2013, p. 152). This refers to those who do not migrate, yet start to sell their labour power in the non-agricultural sector either in the same place or in nearby cities. This form is common especially in coastal areas, where tourism had a high demand for labour in the 1990s. It also accounts to some extent for the shift from agriculture towards services sector in total employment. One final point to make is the effect of the growth of the tourism sector on commodification of agricultural lands, enclosure of commons such as pasture lands and their opening up for new non-agricultural investments (p. 156). This was necessary in a 1990s context, within which financialisation created the need for new investment areas to absorb the hot money flow. However, although the process started in this period, commodification of land mainly materialised in the 2000s through the completion of relevant legal and institutional regulations under successive one-party governments.

## 4. Conclusion

Economic instability coupled with the political oscillation in the 1990s created an era of interregnum in terms of effective implementation of the post-1980 economic policies; however, on the other hand, the financial crises of this period triggered by the 1989 financial liberalisation created opportunities for furthering the policies by increasing reference to the international anchorage. The economic instability peculiar to the 1990s indicated two significant points. Firstly, an accumulation strategy based on financialisation had created a more fragile economy dependent on short-term hot money flows; making successive financial crises inevitable. Secondly, as the very hot money flow requires a stable environment in both economic and political terms for the continuation of foreign capital investments, lack of a strong political power was the most important obstacle to be overcome. Although it was difficult to pursue the policies of marketisation in general under crisis conditions, these conditions gave an upper hand to the international actors promoting a process of reform and restructuring towards marketisation, on the one hand, and underlined the necessity of political stability that would enable realisation of this process, on the other. This necessity, combined with the rise of political Islam in this period, would bring the JDP to power in the next decade, when a full-fledged marketisation in Turkish agriculture would be pursued.

In terms of the -albeit slow and discontinuous- progression of agricultural restructuring in the 1990s, two phenomena should be underlined. First, the most important step was taken in terms of trade liberalisation, which also changed the balance of foreign

trade as Turkey started to have a deficit. Second, financial liberalisation, which gave a new momentum to the opening up of boundaries in the post-1980 context through increasing FDIs, resulted in the involvement of transnational corporations in the agro-food market and hence contributed to the proliferation of contract farming. In addition, the new culture of fast food and supermarkets signified a breaking point in the place of traditional agro-food production in Turkey. Apart from these effects; financial liberalisation had a disciplinary force on farmers through increasing the dependence on cash money and credits, and hence contributing to peasant indebtedness in this period. The agricultural policies to be pursued called for depoliticisation, in the sense of rescuing the state from political pressures in order to achieve an undistorted, effectively functioning free market; and in turn required depoliticisation as a strategy, to be implemented. However, in the 1990s, Turkey lacked the political capability on behalf of the state to step back. Therefore, these policies gaining a legal framework, being institutionalised, and implemented in a speedy fashion would start only in the 2000s, under restored political and economic stability, which will be discussed in the next chapter.

# CHAPTER VII: ERDOĞAN AND THE POLITICAL ECONOMY OF AGRICULTURAL REFORM IN THE 2000s

## 1. Introduction

The first decade of the 2000s constitutes a significant period in Turkish history regarding agricultural restructuring. The previous chapters showed how some steps toward this had been taken beginning from the 1980s, but that the process had been congested because of a lack of a committed political power throughout the 1990s. When compared to the 1990s, the political climate of the 2000s has a significant difference: Whereas the 1990s is often characterised by political turmoil and chronic macroeconomic instability together with low economic growth, the 2000s, especially the period after the 2002 November elections, is often celebrated as an era of political stability and resilient economic growth. Continuous crises in the 1990s as a result of the increasing fragility of the economy after financialisation and delegitimisation of political alternatives brought about the Justice and Development Party, which would mark Turkish politics for a long period of time following the 2002 elections.

Having opened up the decade that will be examined in this chapter, the 2000-2001 Financial Crisis has been an important milestone in Turkish history; not only by causing fundamental changes in economic policy, but also through having significant political implications. Concerning agricultural reform, the 2000s were really fruitful. Involvement of international actors in and legitimisation of the restructuring process was enabled as a result of the crisis. Furthermore, long-term existence of a strong government, which came as a response to the crisis, facilitated speeding up and institutionalisation of the process that had been very slowly progressing in the last two decades. The political stability achieved under the rule of JDP, which has been enhanced by successful attempts to centralise decision-making authority through empowering the executive against the legislative and judiciary powers, has significant consequences; one of which is the unprecedented acceleration of agricultural transformation in line with the "exigencies" of freely functioning markets. JDP, as the efficient executer of the market-friendly policies and structural reforms, inherited the strategy of modernisation through marketisation, and used public policy effectively to create market pressures. On the other hand, continuing depoliticisation contributed to its increasing

political power by externalising the responsibility to experts and to economic rationality; in the agricultural sector as well as in the whole economy.

The objective of this chapter is to analyse developments in the agricultural transformation process within the first decade of the 2000s. It will firstly discuss the general political and economic framework within which the agricultural transformation process took place. Then, following the same structure used in the previous chapters, it will focus on agriculture, and analyse the place of the sector within the economy, policies made and implemented, legal framework, and changes in production process, property relations and social composition, respectively.

## 2. Turkish Political Economy in the 2000s

In this section, the focus will be on the rise of JDP as the "conservative democrat" and moderate Islamic face of the marketisation of society at full steam, the capital's penetrating into the Anatolian market with an Islamic face, the neoliberal policies that shaped the era and the increasingly authoritarian nature of JDP rule under Erdoğan leadership. The rise of JDP should be understood within the context of the 2000-2001 crisis. Without the devastating effect of these two crises and loss of trust in the established parties throughout the 1990s, it would not have been possible for a party that had just been founded fourteen months before the November 2002 elections to take over power.

When the crisis happened, Turkey was engaged in an IMF programme that started in July 1998[125] with a Staff Monitoring Programme[126] and was followed by a stand-by agreement with the IMF in December 1999. The coalition governments[127] of the time, seeking economic credibility and unable to attract foreign capital to fund the growing public debt[128] and investment needed for growth and eager to reduce chronic inflation and

[125] This also marks the beginning of a 10-year era under IMF surveillance, with similar orthodox economy policies throughout different governments until 2008 (BSB, 2007).
[126] This programme had to be interrupted as a result of approaching elections, the Russian Crisis and two big earthquakes that hit Turkey on 19th of August 1999 and 12th of November 1999, causing thousands to die and also major disruption in the economy.
[127] The Staff Monitoring Programme started under the 55th cabinet list, a coalition composed of Motherland Party, Democratic Left Party (DSP) and Democrat Turkey Party (DTP), which was formed after the Welfare Party coalition was stepped back from the government as a result of the 28 February military memorandum. The 1999 April restructuring and reform programme, followed by the December 1999 stand-by agreement, is signed by the 57th cabinet list, a coalition composed of Nationalist Movement Party (MHP), Democratic Left Party and Motherland Party, which was formed after the 1999 April General Elections.
[128] Throughout the 1990s, government debt reached 60% of GDP at the end of 1999, the majority of which consisted of domestic debt. (Akyüz & Boratav, 2003, p. 1552). As discussed in the previous chapter,

consequentially interest rates to ease the burden of debt on the state, started talks with international financial institutions and agreed on an "exchange-rate based disinflation programme led and engineered by the IMF" (Yeldan, 2007, p. 2). The programme included the monetary goal of bringing down inflation from 60% in 1999 to 25% by the end of 2000 and to single-digit-level by the end of 2002 with the help of a "pre-announced crawling peg"; and the fiscal goals of structural reforms in the agriculture and pension systems together with privatisations and strengthening of banking regulations (Akyüz & Boratav, 2003, pp. 1553-1554). This "rather orthodox program of inflation stabilisation" with a pre-announced exchange rate strategy as the only novelty (Öniş, 2003, p. 9), aimed to decrease inflation, hence decreasing interest rates so that government debts became more manageable and the economic setting becomes more conducive to growth and investment. Agriculture especially was deemed as one of the main reasons of economic disequilibrium, and the programme aimed to reduce agricultural support prices and in the end to replace them with direct income supports (Öniş, 2003, p. 9).

In the first months of this stabilisation programme, the coalition government was successful decreasing interest rates and there was a significant improvement in budgetary balance with a primary surplus of 2.8% of the GDP against a 2.2% target, together with a net capital inflow of $12.5 billion during the first ten months and significant economic growth (Akyüz & Boratav, 2003, p. 1554). Yeldan (2002b) agrees that, the public sector was not unsuccessful at maintaining the austerity targets and implementation of free market rationale. Yet, with increasing inflow of money and hence appreciation of the Turkish Lira, the current account deficit deteriorated and exchange rate risks increased, and the economy became vulnerable to speculative attacks and capital plight (Erdem, 2007, p. 132; Akyüz & Boratav, 2003, p. 1555). Turkey experienced the first speculative attack in November 2000 as a "warning signal" (Yeldan, 2002b, p. 2). Following this, IMF granted a $7.5 billion additional support to Turkey, which was able to calm down the money markets, but this time with additional commitments from the government including "further spending cuts and tax increases, the dismantling of agricultural support policies, liberalization of key goods and services markets, financial sector restructuring and privatization" (Akyüz & Boratav, 2003, p. 1556). These further commitments increased the tension between the coalition members, especially regarding the privatisation of the state telecommunications company, and

governments relied on high amounts of domestic debt with high interests and a continuous flow of "hot money" to compensate for the weak budgetary discipline as a result of high expenditures in line with populist policies throughout the coalition governments, leading to a "speculative rentier type accumulation" especially in the banking sector. (Boratav, et al., 2000).

reduction of agricultural subsidies. It did not take too long for a second and critical speculative attack on Turkish currency, following a disagreement between the Prime Minister and the President Ahmet Necdet Sezer in a meeting on February 19, drying up the foreign reserves of the Central Bank and increasing short-term interest rates up to 5000%. Eventually, the crawling peg had to be abandoned and the currency was allowed to float again - again with the help of IMF (ibid). This marked the end of the 1999 disinflation programme, but did not mean an end to IMF backed stabilisation programmes. The 2001 crisis, was the most severe crisis in the history of the Turkish republic, causing a decline of 9.4% in GNP in real terms, a drop from $2986 to $2110 in per capita income (Öniş, 2003, p. 15) and increasing unemployment from 6.5% in 2000 to 10.3% in 2002 (see table below). The crisis also increased the pressure on the government and coalition parties, eventually leading to the 2002 November early elections.

With a new economic management team and the newly appointed Kemal Derviş as the Minister of Economy, transferred from the World Bank as an "independent" economic technocrat; the coalition government wanted to give the message that they were still committed to the structural reforms and improving their credibility to attract more capital into the country. Within a month of his appointment, a new agreement with the IMF was concluded in May 2001, again targeted at reducing the inflation and implementing structural reforms, with a higher ambition to privatise the state's assets. It also included a targeted primary surplus of 5.5% of GDP- an ambitious and strong fiscal adjustment (Akyüz & Boratav, 2003, p. 1556). There was also a serious reform in the banking sector, since the crisis was also experienced as a banking crisis (Karaçimen, 2015, p. 156), as most of the banks entered the crisis in open positions and under currency risk since they were profiting from borrowing from foreign markets to buy government debt securities.

The "Transition to the Strong Economy Program" (UoT, 2001), as announced by Derviş on May 2001, makes it clear that it will continue the disinflation programmes of the previous period and will radically change the ways of economic policy making in an irreversible way. In order to convince IMF of the commitment of the current government to the stabilisation programmes, Derviş forced fifteen laws that would pave the way for "good governance" and "efficient way of economic policy making" in order to boost foreign investor confidence to be passed in parliament within fifteen days. This hurry-scurry act of law-making involved, as underlined by Bayramoğlu (2009, p. 276), violations of democratic principles in the name of economic crisis and economic imperatives. This process of

"extraordinary law making" would be later explained by Derviş himself in an interview in the following way (Arpaç & Bird, 2009, p. 148; emphasis added):

> "The severity and extent of the crisis gave us only two choices, either to implement a program encompassing serious structural transformation and macroeconomic stabilization, or to accept a moratorium. A deep loss of confidence in the government and the entire political system was present. **The crisis provided a unique opportunity to push reforms through parliament that otherwise might have taken years to enact**. There is an argument against selling the precious political capital all at once and instead to advance step by step, building required coalitions a few at a time. But a severe crisis creates a different situation. The need for reform is more urgent and a message of change also needs to be given for markets to respond to."

This way of law making, sometimes by bypassing the established procedures, sometimes through going around the rules, was a popular way of "rule making" in the MP years under the rule of Özal throughout the 1980s in the first decade of liberalisation of Turkish economy. Subsequent JDP governments, in the absence of powerful opposition and "trouble-making" coalition partners, would also take advantage of centralised decision making authority.[129] This example also confirms the argument that the financial crises of Turkey are not "dysfunctional moments" of capitalism, but rather "main driving forces to ensure neoliberal transformation" (Bedirhanoğlu & Yalman, 2010, p. 116).[130]

A dominant discourse on the causes of the crisis blames the political instability and weakness of coalition governments and their lack of commitment to the stabilisation programme. Öniş, for example, lists the following reasons for the weakness of the Turkish economy: "political instability, high inflation, uncertainty, deficiencies of legal system, high tax rates, problems in financial system, inadequate infrastructure and pervasive levels of corruption[131]" (2003, p. 21). According to Öniş, these, combined with the populist cycles, led to the inability to attract foreign capital and investments, causing a poor performance of the economy.[132] IMF, in its post-crisis evaluation, also blamed "political uncertainty, policy

[129] Aybar & Lapavistas (2001, p. 306) indicated that, following the crisis and given the policies of further stabilisation and austerity, the Turkish state was likely to resort to "free market authoritarianism".
[130] Öniş (2003, p. 16) also claims that "outbreak of crises has accelerated the reform process".
[131] This discourse of corruption played a central role as a legitimising rationale for neoliberal structuring after the post-crisis period. On this, see Bedirhanoğlu (2007). It was ironic to see that the triumph party of neoliberal restructuring, JDP, had been revealed through a series of secret recordings to be engaged in a massive and collective corruption in December 2013. It has been revealed that many members of the cabinet, including then Prime Minister Erdoğan and his ministers, together with their families, have been involved in severe corruption. These allegations had been rejected as being a conspiracy against the stability and exemplar economic performance of Turkey under JDP rule.
[132] The critical literature criticises IMF on the grounds that the disinflation programme itself contained weaknesses and structural problems in its design that invited capital flight (Yeldan, 2002a; Yeldan, 2002b; Akyüz & Boratav, 2003), and argues that deregulation of financial markets and liberalising the capital movements results in financial instability and crises even when there is a sound fiscal balance (Erdem, 2007; Yeldan, 2001). Interestingly, as a mainstream scholar, Öniş (2006, pp. 254-255) also criticizes the IMF, but on the grounds that it did not involve itself in a closer monitoring of the countries it helped out by its stabilisation

slippages and weakening of economic fundamentals" (cited in Akyüz & Boratav 2003, p.1557) for the crisis.

Turkey entered the November 2002 early elections under these conditions. Years of economic and political instability, discredited all of the established political parties. Öniş argued that, in the absence of an "authoritarian exit option" (meaning a military coup), "weak and unstable coalition governments failed to provide effective governance" (2003, p. 3) and there was a need to transform the state "from a soft state to an effective, market augmenting 'competition state'" in the economic sphere and "softening the 'hard state' in the political realm through a process of democratic reform" (2003, p. 19). JDP, as a newly founded pro-Islamic centre-right party, enjoyed the other established parties being discredited and gained the chance to have 363 seats out of 550 in the parliament with only a 34.28% share in total votes; thanks to the 10% election threshold put by the 1982 Constitution as a measure to ensure political stability and strong governments. All members of the previous coalition, nationalist left party (Democratic Left Party), liberal centre-right party (Motherland Party) and ultra-nationalist party (Nationalist Movement Party), and nationalist centre-right party (True Path Party) were pushed down into this 10% threshold. Other than JDP, only Republican People's Party (RPP) was able to pass this 10% threshold with 19.39% of the valid votes, gaining 178 seats in parliament.

The aftermath of the November 2002 elections marks the beginning of successive majority governments of JDP, up until the June 2015 elections.[133] The economic distress and political frictions between different political actors in the post-crisis period gave rise to the common idea that Turkey needed a strong and stable, and preferably single-party majority, government "at any cost" (Hoşgör, 2015, p. 204). After making clear that they will continue their relationship with IMF and its structural reforms and will follow the path to Europeanisation in terms of EU accession[134], the JDP government was soon celebrated by many liberal scholars in terms of bringing an end to "economic populism, clientelism and

programmes. These remarks are important, but their criticism also tends to put as alternative a country with "independent economic policy-making" that can raise barriers to the flows of "hot money" by means of progressive taxing. It does not question the social relation underlying the "capital", its "flow" and its being organised by means of international organisations such as IMF. This emphasis on IMF as the source of wrong policies that makes the people suffer, without a critique of the social relations that IMF is a part of, reduces the left politics to a "nationalist" discourse of anti-globalisation, implying that there "can" be a capitalism that is benign to the interests of the people living under it.

[133] Although JDP had a severe blow in its vote share and failed to establish a one party government, as the pro-Kurdish People's Democratic Party surpassed the election threshold in June 2015; early elections held in November started another term of JDP government.

[134] See also European Commission's Progress Report for Turkey, underlining the new government's prioritising EU accession (EC, 2003, p. 18).

corruption" and opening doors "that may lead to economic stability and fuller democracy" (Öniş & Keyman, 2003, pp. 95,106); "legislating democratic reforms" and "significantly reducing the authoritarian legacy of the republican state" (Keyder, 2004, p. 65); "normalizing the democracy" and creating "an unexpected possibility of exit from the authoritarian regime established after the military coup of September 12, 1980" (İnsel, 2003, p. 293); successfully continuing the austerity program of IMF and "staying away from populist policies" (Heper, 2005, p. 222); making a revolution by creating a new Turkey both in domestic and international affairs as a regional actor (Barkey & Çongar, 2007). These scholars not only appreciated the economic performance of JDP governments, but also considered JDP governments as efficient executers of good governance and hero of democratisation and Europeanisation processes.[135] In this sense, the liberal thinkers referred to the JDP era as a "clean break" with the unstable political environment of the former decade and poor economic performance (Hoşgör, 2015, p. 206). JDP's rise is also associated with the rise of so-called Anatolian Tigers, or Islamic/Green capital, as the "genuine" domestic/national capital with their dynamism and competitiveness as well as traditional values that modern Turkey is pursuing since the 1900s (Özdemir, 2004, p. 838), that break the monopoly and elitism of the undemocratic and statist big Istanbul bourgeoisie, who were nurtured and grown by the Kemalist state (Kahraman, 2008).[136] This rise of Anatolian Capital, which coincides with the changing orientation of Turkish economy from import substitution to export orientation in the post-1980 period and proliferation of small and medium sized businesses seeking to integrate with the world market based on their advantage of low-cost labour, is conceptualised as a real opportunity for a "truly democratic state" and a "liberal economic system" based on competition in a "peaceful, highly developed and powerful country" and JDP's success is considered both as a result of this rise and an evidence of this trend (Demir, et al., 2004, pp. 179, 180, 188; Acar, 2009, pp. 18, 20).[137]

[135] Commitment to the EU accession process is considered as a double anchor for implementing market friendly structural reforms by many authors. See, for example Bedirhanoğlu & Yalman (2010, p. 120), Yeşilyurt-Gündüz (2012), Hoşgör (2015, pp. 207-210), Öniş & Bayram (2008, p. 15).

[136] Such a line of thinking is affected by a specific dominant way of reading Turkish history as a struggle between the centre (the republican/Kemalist/laicist elite, the strong and authoritarian state) and the periphery (the civil society, the Anatolian people, democrats). See Yalman (2007; 2009; 2012) and Dinler (2003) for succinct critiques of this tradition.

[137] Rather than contesting the Istanbul bourgeoisie as such, these pro-Islamist capital groups are integral parts of the Turkish bourgeoisie in extending the power of capital to even the smallest Anatolian cities; which have a large supply of cheap labour as a result of the new wave of proletarianisation stemming partly from agricultural transformation. Employing a paternalist and informal industrial relations approach with Islamic references as a labour-containment strategy, these Islamic firms play a key role in the competitiveness of the Turkish economy based on cheap labour. This does not deny the fact that there may be conflict between different capital groups, but only emphasising this fact blurs the main conflict between the capital and labour.

JDP governments do not have any specificity especially regarding their economic and fiscal policies but there is an absolute continuity, since they simply took over the IMF programme applied by Derviş as a response to the twin crises of 2000-2001 (Ekzen, 2010, p. 476; Bedirhanoğlu & Yalman, 2010, p. 120; Yeldan, 2007, p. 13). This programme consists of two main pillars of stability and structural reforms; and stability pillar includes "a) growth with foreign demand b) strict fiscal discipline - primary surplus target of 6.5% of GDP c) independence of Central Bank in its policies"; and structural reforms include "the liquidation of the public sector and depoliticising the economic management" (Ekzen, 2010, pp. 476-477). The overall aim of the programme is, to be able to attract foreign capital in a continuous manner by building up credibility and sustaining stability, so that public debts can be serviced and the current account deficit can be funded.

Looking at the macroeconomic figures (see table below), especially for the period between 2002 and 2007, bounded by the 2000-2001 financial crises of Turkey and worldwide financial crisis of 2007-2008, there is a fascinating growth rate of almost 7% in average and six years of subsequent growth years which was something unseen during the 1990s (Öniş & Bayram, 2008; Öniş, 2012). Although quite convincing in asserting the supremacy of JDP's economic management, these numbers tell us only a biased and limited story.

**Table 19 Main Economic Indicators of Turkish Economy in the 2000s**

| Years | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **GDP Growth (%)** | 6.8 | -5.7 | 6.2 | 5.3 | 9.4 | 8.4 | 6.9 | 4.7 | 0.7 | -4.8 | 9.2 | 8.8 |
| **Unemployment Rate (%)** | 6.5 | 8.4 | 10.3 | 10.5 | 10.8 | 10.3 | 9.9 | 10.3 | 11.0 | 14.0 | 11.9 | 9.8 |
| **Export/Import (%)** | 51.0 | 75.7 | 69.9 | 68.1 | 64.8 | 62.9 | 61.3 | 63.1 | 65.4 | 72.5 | 61.4 | 56.0 |
| **Import/GDP** | 20.5 | 21.0 | 22.4 | 22.7 | 25.0 | 24.3 | 26.5 | 26.2 | 27.2 | 22.9 | 25.3 | 31.1 |
| **Export/GDP** | 10.5 | 15.9 | 15.6 | 15.5 | 16.2 | 15.3 | 16.2 | 16.5 | 17.8 | 16.6 | 15.5 | 17.4 |
| **Current Account Deficit/GDP** | -3.7 | 1.9 | -0.3 | -2.5 | -3.6 | -4.5 | -6.0 | -5.8 | -5.4 | -2.0 | -6.2 | -9.7 |

**Source: Ministry of Development** (MoD, 2016)
The data has been compiled by the author from various tables, which are available on Ministry's website under 'economic and social indicators' page.

First of all, it is common to observe years of recovery especially after severe crises. And it should be noted that this period between 2002 and 2007 coincides with a boom period of a global cycle (Boratav, 2009, p. 3; 2010b, p. 464), where there is an abundance of global

capital flowing into emerging markets, creating a "favourable global liquidity environment" (Öniş, 2012, p. 139). Another simple observation is the fact that, despite impressive rates of growth, the unemployment rate floats around 10%, which shows that although the growth rates recovered after the crisis, the unemployment rates never returned to their pre-crisis level of 6.5%. This slow employment generation capacity despite high growth rates, which can be observed in almost all developing countries, is referred to as "jobless growth" in the literature (Yeldan, 2007, p. 15; Bedirhanoğlu & Yalman, 2010, p. 120; BSB, 2007, p. 41; BSB, 2008, pp. 99-103). The distribution indicators[138] also imply that the working classes did not benefit from the growth in the economy. The real wage index decreased from 100 in 1997 to 83 in 2006 (Mütevellioğlu & Işık, 2009, p. 192). Yeldan (2007, pp. 17-18) observes a similar pattern in manufacturing real wages; although the Turkish manufacturing industry labour productivity index increases to 158 index points (1997=100) in the third quarter of 2006, real wages experienced a decrease of 23.8% in real terms in the same period. This decrease is largely due to the 2000-2001 financial crises, however, it is also a significant fact that the growth in GDP and increase in labour productivity did not translate into increases in wages and wages did not reach pre-crisis levels in real terms until 2007 (Mütevellioğlu & Işık, 2009, pp. 194-195). Mütevellioğlu & Işık (2009, pp. 185,195) attribute the increases in labour productivity to increases in the working hours per workers, instead of factor productivity. These observations are in line with the transformations taking place in the labour market: increasing proletarianisation as a result of dissolution in agricultural sector fills the labour market with a reserve army of labour, and with measures to flexibilise the workforce, and an almost fixed official rate of unemployment of 10%, there is a pressure on wages. Workers are finding themselves hard selling their labour power, and when they do, they work more, for less, with less job security.

This feature of the labour market matches perfectly with the post-crisis structure of the Turkish economy: the economy has to offer high rates of interest to attract foreign capital, so that it can fund its current account deficit and government debt servicing[139]; and these high interest rates offered to the financial system means more people will be separated from their means of production, as can be observed in the agricultural sector, and more workers will work for more hours to get even less, so that the promise of surplus transfer to the financial system by high interest rates can be met.

[138] Here, only the distributional indicators of the manufacturing industry are provided. A discussion on agricultural terms of trade is provided in the coming sections.
[139] This is referred to as "hot money led balance sheet financing" (Yeldan, 2007, p. 9)

The flocking of international capital to the domestic market, as a result of the Turkish economy articulating increasingly with the global market, has another important implication for the labourers: the so-called financialisation and the rise of credit, which makes its way into the lives of labourers in the form of "consumer credits" and excessive usage of credit cards as a way to satisfy even very basic needs. As mentioned above, in a growing economy and growing consumer market, the labourers did not enjoy a corresponding rise in their real earnings. The rise in consumption expenditures, therefore, is increasingly met with consumer credits and credit card expenditures. According to data provided by Banking Regulation and Supervision Agency, the ratio of consumer loans and credit card debts to GDP significantly increased from 0.65% and 1.24% in 2002 to 12.97% and 4.5% in 2011 respectively (UoT, 2013). Increasing insecurity and flexibility in the labour markets made the labourers in general, and especially the ones that work in informal and insecure jobs, dependent on the use of credit to satisfy their basic demands and rising levels of indebtedness (Karaçimen, 2014; 2015). According to Karaçimen (2014; 2015), based on a field study on metal workers in Istanbul, this rise of indebtedness also leads to greater submissiveness of workers to the worsening conditions at work, low pay and longer hours of work; since being able to pay the debt requires a regular flow of income.[140]

As mentioned above, the economy is dependent on short-term finance capital allured by high interest rate offers. This means that, provided that there is an abundance of foreign capital in Turkish markets, the Turkish Lira experiences an appreciation against foreign currencies. This means a pressure on exports, and a tendency of imports to increase as a result of overvalued TL. For industry this means that the components necessary for industrial production can be imported more cheaply, making the exports highly dependent on imports (BSB, 2007, pp. 62-66). Therefore, the rising exports cannot decrease the current account deficit; reaching up to 6% of GDP in 2006 and 9.7% of GDP in 2011 (see table above).

In terms of structural reforms JDP is unsurpassed. Although privatisations have been on Turkey's agenda at a relatively early stage beginning from the second half of the 1980s, the pace has only been accelerated in the post-crisis period under the rule of JDP governments. 90% of privatisation income throughout the history of Turkish republic has been generated under JDP governments; while the privatisation income was $8 billion

[140] It is necessary here to note that, however, this increase of indebtedness and the financial system's dependency on the submissiveness of the labourers also means a fragility for the capitalist system, since it becomes less intolerant and resilient against the struggle of workers. With rising levels of struggles, it may become evident that the surplus value that is bet to be extracted from labourers in the form of interest rates has become unattainable, making a crisis inevitable.

between 1986 and 2002, it reached up to $61.8 billion between 2003-2015 (JDP, 2015). Öniş discusses this "privatisation boom" as a success of JDP governments, as a defining member of "pro-privatisation" coalition in Turkey which facilitated the privatisations through a series of legal and institutional changes that broke the "resistance of the anti-privatisation coalition" (2011) as per the imperatives of freely functioning markets.[141] Ironically, the surge of privatisations, partly legitimised by discourses of inefficiency and corruption, also helped the JDP government to support its supporters amongst the capitalist class through allocating public assets to them through privatisations and also develop intricate relationships with big business in Turkey, often in a corrupt way (Bedirhanoğlu & Yalman, 2010, p. 120).

In terms of depoliticisation of the economic management, JDP governments inherited the legal and institutional framework of previous governments. Most of the independent regulatory agencies had been established between the years 1999 and 2002. [142] These IRAs, that express the delegation of authority to technocrats, regulate areas ranging from capital markets to radio and television broadcast, from electricity, natural gas and petroleum markets to sugar, tobacco and alcohol production. They played a key role in opening the sectors they regulated to the world market, also taking part in the facilitation of privatisations. Their proliferation underlined the restructuring of the state in line with capital and market rules, instead of social or public interest. Through transferring depoliticisation practices to the agricultural sector, especially by providing the legal and institutional infrastructure for these, the JDP rule leaped forward in terms of agricultural restructuring process.

The second term of the JDP governments, following the July 2007 general elections, started with a great victory for JDP. It increased its votes by 12.30%, getting 46.58% of the valid votes. The corporate media and representatives of the international capital had been praising JDP's economic management, underlining the importance of political stability. Given the record levels of current account deficit, the capital not withdrawing its money out from the country implied the support and trust of global capital to the JDP (Ataay & Kalfa, 2009, p. 325). Within a month of this election, JDP also overcame another obstacle in its decision making authority as Abdullah Gül, former Minister of Foreign Affairs of JDP, became the

[141] These privatisations, of course, did not take place without any confrontations. Among these demonstrations against privatisations, the resistance of TEKEL workers against the privatisation of TEKEL cigarette and tobacco factories in the city centre of Ankara that began on 15 December 2009 is emblematic. They continued their resistance through their encampment in the city centre of Ankara, Kızılay for 78 days. Their resistance was responded to by brutal police force and their determined resistance found echoes as solidarity from many parts of the society, which made their long resistance possible. Although it was able to raise questions about JDP rule's legitimacy, their resistance ended with only limited improvements in their status after privatisation.

[142] Central Bank Independence and establishment of IRAs in various markets exemplify depoliticisation practices. For an analysis of politicisation/depoliticisation dynamics in post-2001 Turkey see Dönmez (2012).

first President to be elected by public vote following a constitutional crisis on the parliamentary election of the President in April 2007.[143]

Beyond the economic imperatives, JDP's original mix of neoliberal market rationality and communitarian, conservative values (Yalman, 2012, p. 37), which is manifested in its social assistance based social policy, had also played a significant role in enlarging its voter base. Pursuing a social reform, JDP governments follow a social assistance based social policy to include the people excluded by the free functioning of the market through charity programmes, resembling the Özal era. In doing this, "Islamic notions of charity", which bring social solidarity and individual-based informal assistance to the "poor" and "who are in need", and a "downsized state" with less social spending finds a perfect match (Buğra & Keyder, 2006, p. 226; Buğra, 2008). These informal relations of giving, to which JDP's politicians have a long history of affinity during the time they served in municipalities under Welfare Party management especially during the 1990s, is not the only redistributive tool they make use of. They also make use of formal distribution tools. As underlined by Öniş (2012, pp. 141, 142), the share of Education and Health expenditures in GDP also increased. Yet, this does not justify the claim of Öniş (Öniş, 2012, p. 142) that JDP is a neo-populist party. The transformation from a rights-based understanding of social policy (although this had not ever been "universal" in Turkey, meaning that it left the people working unregistered or in marginal sectors out) to an individual-based assistance out of goodwill and paternalistic characteristics should be noted. The state also seeks cooperation of associations and foundations, and encourages philanthropist activities of such institutions. According to the official website of JDP, from 2002 to 2014 the benefits assigned to the people-in-need increased from 1054 to 3598, the people who benefitted from food assistance increased by eight times, and education assistance to students increased by six times. The report published by Ministry of Family and Social Policy suggests that, as of 2013, there were 3,096,489 households benefitting from social assistance programmes, 2,258,734 of which benefit from regular social assistances provided by the state (MFSP, 2013, p. 113). Yıldırım (2009, p. 99) finds this increase in financial and in-kind aids as a way of JDP's extending the base of support within the dependant classes of society through a "sustainable poverty" perspective which is also in line with neoliberalism. It can be argued that the state in the 2000s under JDP rule became a "philanthropist" instead of being a general caregiver to its citizens as part of its

[143] The former President Ahmet Necdet Sezer was notorious in vetoing the laws passed in the parliament based on his authority to veto any laws that are against the constitutional law. Erdoğan continuously complained about Sezer's vetoes, since they prolonged the law making process and made their job difficult. See for example: "I suffered a lot from Sezer". (StarHaber, 2014).

being a "social state" as defined in the constitution, and engaged in a mission of "keeping the reserve army of labour in good shape for work" together with the "philanthropist complex" which also includes charity foundations and associations that are close to JDP ideology, for a joint political interest (Köse & Bahçe, 2010, pp. 496, 508).

These strategies to maintain a "sustainable poverty" became much more important when the "miraculous" growth of Turkish economy was hit by the global crisis of 2008. The Turkish economy experiences a slowdown in 2008 and an almost 5% recession in 2009, with unemployment roaring to 14%. Yet the crisis, despite its severity, did not give rise to a questioning of the legitimacy of JDP as it did throughout the 1990s and after the 2000-2001 crises for the coalition governments. The JDP government is even celebrated by liberal thinkers because of their agile "crisis management" and effective attempts to manage perceptions (see for example, Öniş, 2012, p. 143).

In the years following the recession of the Turkish economy as a result of the 2008 global crisis, JDP enjoyed an abundance of global liquidity caused by the expansionary policies in the developed countries to alleviate the negative impacts of global crisis. This enabled them to continue with their economic model dependant on flow of international capital to the domestic market and rising levels of household consumption with an eventual feeling of wellbeing in the society. However, this also meant that fragilities inherent in this growth strategy are carried to the second decade of the 2000s with increasing severity.

Following the success of the 2007 elections and 2008 crisis, JDP followed a path towards more authoritarian governing, as incarnated in Erdoğan's personality, ended its relationship with the IMF, without detaching itself from its commitment to structural reforms and the merits of a market society, as it did not need the reference of IMF to ascertain its creditworthiness in the global market and adopted a more "pro-active" role in foreign affairs, trying to become a role-model and leader for the Islamic world and the Middle East. It further consolidated its voter base by employing a more nationalist and Islamist discourse and increasing its oppression of the opposition and "discordant" voices in the media. This also coincided with the weakening of relations with the EU[144], leading the main liberal figures that provided support to the JDP government as the "hero" of governance and process of

[144] Despite the initial positive atmosphere, failure to progress with the necessary reforms caused a change in attitude by the EC toward the JDP government. "The government expressed its commitment to the EU accession process and to political reforms. However, despite its strong political mandate, the government did not put forward a consistent and comprehensive programme of political reforms." (EC, 2008, p. 7)

democratisation to question their authoritative tendencies.[145] This would not, however, prevent most of them from continuing to support JDP in the September 12, 2010 referendum, which was successfully advertised as a settling of accounts with the September 12, 1980 military regime, but ironically, in the end rather consolidated the power of JDP as the aspired authoritarian face of the strong state of the fully liberalised economy integrated with the global market. The result of this referendum strengthened the hand of JDP in terms of further increasing the power and influence of the executive on judiciary and legislative powers, laying the foundations of Erdoğan's ambitions to become an executive President of Turkey.

Turkey entered the second decade of the 2000s with an almost fully liberalised economy, that is highly dependent on inflows of capital with large amounts of current account deficit, masses of people who were separated from their means of subsistence and who became sellers of labour-power, an almost ossified unemployment rate around 10%, fully flexible and insecure workforce as the basis of economy's competitiveness, a strong state dedicated to maintaining the creditworthiness of the country by providing political stability, even when this means cracking on the opposition harshly, and JDP and its leader Erdoğan as the authoritarian and paternalistic face of the strong state, which can mobilise and consolidate a large voter base consisting of labourers and lower strata of the society together with Turkish business, thanks to its skilful combination of neoliberal policies with communitarian and Islamic conservative values.

## 3. Agriculture in the 2000s

### 3.1. Positioning Agriculture within the Economy

In this section, we will briefly mention the place of the agricultural sector within the Turkish economy in the first decade of the 2000s discussed above, before moving into the specific analysis of agriculture. The two financial crises experienced in this decade found their reflections in the changing place of the agricultural sector. In addition, the appearance of a strong and committed government in this decade facilitated the implementation of neoliberal policies in agriculture, resulting in dramatic changes in some specific sub-sectors targeted by the agricultural reform.

[145] See, for example, İnsel (2007), raising his concerns that JDP may attempt to replace the old centre of praetorian state rather than rectifying the praetorian state and also compare it with İnsel (2003).

To begin with, the share of agricultural sector in GDP continued to decline. It had already fallen to 12.2% by 2000, from 24.4% in 1980 (TURKSTAT, 2015a). Between 2000 and 2011, it decreased to 9.2%, as shown in the table below. It can also be observed that the growth rate of agricultural sector was above that of GDP and accordingly the sector share experienced an increase only during crisis periods, because the sector took over from the contracting industrial sector and it is not possible to reduce production of basic consumption goods even during crises.

**Table 20 Share of Agriculture in GDP and Growth Rate of Agriculture and GDP (%) – 2000s**

| Years | Sector Share in GDP | AGR Growth Rate | GDP Growth Rate | Years | Sector Share in GDP | AGR Growth Rate | GDP Growth Rate |
|---|---|---|---|---|---|---|---|
| **2000** | 12.2 | 7.1 | 6.8 | **2006** | 10.0 | 1.4 | 6.9 |
| **2001** | 11.9 | -7.9 | -5.7 | **2007** | 8.9 | -6.7 | 4.7 |
| **2002** | 12.2 | 8.8 | 6.2 | **2008** | 9.3 | 4.3 | 0.7 |
| **2003** | 11.4 | -2.0 | 5.3 | **2009** | 10.1 | 3.6 | -4.8 |
| **2004** | 10.7 | 2.8 | 9.4 | **2010** | 9.4 | 2.4 | 9.2 |
| **2005** | 10.6 | 7.2 | 8.4 | **2011** | 9.2 | 6.1 | 8.8 |
| **Source: Derived from** (TURKSTAT, 2014, p. 641) | | | | | | | |

In parallel, the share of the agricultural sector in total employment decreased from 36% in 2000 to 25.5% in 2011, with slight increases after the 2001 and 2008 crises (Oral, 2013, p. 447).[146] In this decade the share of rural population, which had declined to 35.3% by 2000 from 56.2% in 1980, further declined to 23.2% by 2011 (Oral, 2013, p. 446).

The volume of agricultural foreign trade expanded significantly in this decade, as can be seen in the table below. It had been discussed in the previous chapter that agricultural imports surpassed exports in the 1990s, and giving balance of trade deficits has become a trend for agriculture throughout the 2000s. It should be noted, however, that whereas Turkey has deficit in foreign trade of agricultural raw materials, it has surplus in the food sector (Günaydın, 2010, p. 191). This meant that Turkey has become a country processing and exporting food based on imported raw materials by 2007 (ibid).[147]

[146] See section 3.5.

[147] The ISIC-Rev.3 (International Standard Industrial Classification of All Economic Activities) Method does not include raw materials and food separately, while SITC-Rev.3 (Standard International Trade Classification),

**Table 21 Agricultural Foreign Trade (million$)* - 2000s**

| Years | Export | Import | Balance | Years | Export | Import | Balance |
|---|---|---|---|---|---|---|---|
| **2000** | 1,659 | 2,123 | -464 | **2006** | 3,611 | 2,935 | 676 |
| **2001** | 1,976 | 1,409 | 567 | **2007** | 3,883 | 4,672 | -789 |
| **2002** | 1,754 | 1,703 | 51 | **2008** | 4,177 | 6,433 | -2,256 |
| **2003** | 2,121 | 2,535 | -414 | **2009** | 4,536 | 4,625 | -89 |
| **2004** | 2,645 | 2,765 | -120 | **2010** | 5,091 | 6,490 | -1,399 |
| **2005** | 3,468 | 2,826 | 642 | **2011** | 5,353 | 8,944 | -3,591 |
| ***According to ISIC-Rev.3** | | | | | | | |
| **Source:** (Oral, 2013, p. 452) | | | | | | | |

Production increase rate for agriculture decreased as well; the annual average agricultural production increase rate, which was 2% between 1980 and 2000, declined to 1.4% between 2002 and 2009 (Şahinöz, 2014, p. 36). For two specific products that were targeted by the agricultural reform package, tobacco and sugar, the reduction in the amount of production has been significant in this period.[148]

Internal terms of trade for agriculture also decreased between 1998 and 2007 by 35%, whereas external terms of trade increased in the same period (Boratav, 2013b, p. 55). This underlines the fact that the decline in the prices of agricultural products has not resulted from a corresponding decline in world prices, but rather from domestic factors (Boratav, 2013b, p. 58). Accordingly, there has been a deterioration in prices received by farmers and relative product/input prices for selected products in this period, pointing to impoverishment of farmers (Boratav, 2013b, p. 63).

One peculiarity of the decade, which is worth mentioning here, is the foreign direct investments made in the agricultural sector. Whereas the value of agricultural FDIs was 9 million $ in 2007, in 2010, it was 81 million $ (CBRT, 2015); this volume can be accounted for by the process of privatisation of agricultural state economic enterprises in this decade. In all of the other respects above, this period shows continuity with the previous two decades, within which neoliberal policies started to be implemented; however, expansion and deepening of these policies specifically for agriculture in the 2000s found its reflection in the changing place of the sector in the economy.

which has not been applied after 2007, did. Therefore, we cannot track their change after 2007 (Günaydın, 2010, p. 191).

[148] See section 3.4.

## 3.2. Agricultural Policies

Agricultural policies of the decade formed a deeper and more extended version of those of the 1990s; in this sense they were in parallel with, but more comprehensive than, the policies implemented in the previous decade. The active role of the international actors[149] regarding policy formation within the process of agricultural transformation accounts for this consistency. In the last decade GATT Uruguay Round Agreement on Agriculture, signed in 1994, had set the framework of the process, and the Stand-by Agreement signed with the IMF in 1999 had portrayed Turkey's commitment to act within that framework. A step further in that line was taken in the beginning of this decade resulting in the realisation of that very framework. The Agricultural Reform Implementation Project (hereafter ARIP) was launched by the World Bank in 2001. Having a closer look at the ARIP will make a good start in understanding general characteristics of the policies of the decade.

Objectives of the ARIP were "improving economic efficiency/productivity in the sector; protecting farmers to some extent from income losses due to reform measures; and finally fiscal stabilization" (WB, 2009, p. 3). Given the crisis environment of the time the project was launched, "short-term stabilisation" was outweighing "sectoral efficiency through large developmental investment" (ibid). The question was not how to develop and modernise Turkish agriculture, but how to eliminate or at best decrease the burden of this backward sector on the state budget, thus achieving fiscal stability. Therefore, the attempts of the project were neither at betterment of the production process by introducing new technologies, nor reducing long standing inequalities by changing land-ownership structure; rather the emphasis was mainly on *effectiveness*. The ARIP included investment for four components; Direct Income Support, Farmer transition, Agricultural Sales Cooperatives and Unions restructuring, and project support services.

The first component aimed at reducing agricultural subsidies and replacing them with a system of Direct Income Support (DIS). In addition, it assisted in the creation of a National Registry of Farmers and completion of Turkish cadastre (WB, 2009, p. 3). In contrast with the previous forms of support mechanisms such as support purchases, input and credit supports, which were related with the production process; DIS was given based upon the size of the registered land. Therefore, the process of registering lands was an integral part of a

[149] Harmonisation with the EU-CAP constitutes a reference point in the implementation of agricultural polices, but the EU does not play an active role in shaping these; the EU regards them as a "building block" for harmonisation rather than as its consequence (EC, 2003, p. 77).

properly functioning DIS system. The second component of ARIP aimed at transition of producers of oversupplied crops, namely hazelnut and tobacco, to alternative crops. High purchasing prices provided by the state for these crops had created the oversupply problem, rendering their production less effective. The third component targeted ASCUs restructuring by their commercialisation, since they were regarded as again ineffective being "highly overstaffed with permanent employees… with politically inflated wage rates" (WB, 2009, p. 4). The fourth component included normal project management functions plus information campaigns and social assessments (ibid).

The objectives set in the ARIP were reflected in the 8th Five-Year Development Plan covering the period between 2001 and 2005.[150] This shows how the reform package promoted by international institutions was internalised and translated into domestic policies, and marks the beginning of a period when domestic policy makers took over and more actively led the process. Decreasing share of agriculture in GDP despite continuing significance of the sector within total employment is emphasised in the Plan. Existing support mechanisms are criticised for failing to provide income stability for producers, and it is stated that "intervention prices, higher than world market prices have led to excessive extension of the arable land with regard to certain crops and hence surplus production, in turn leading to excessive purchases by the government with high cost of stocks" (SPO, 2001, pp. 148, Art.1273). DIS is mentioned as a solution to these problems; depending on the results of the pilot project which was launched in 2000, it will be implemented throughout the country. The main objective of the new agricultural policies is defined in the Plan as "to establish an organised, highly competitive and sustainable agricultural sector, […] within the framework of the principle of efficient resources utilisation" (SPO, 2001, pp. 148, Art.1278). If one important pillar framing agricultural policies is the principle of *efficiency,* another one as underlined in the Plan is the relations with international actors involving in the process.[151] Based upon these two, other targets of the new set of agricultural policies include development of a Farmers Registration and a Cadastral System, implementing rural

[150] This Plan differs from the later development plans in terms of the emphasis upon the need for getting rid of the old structure in the agricultural sector. In the 9th Five Year Development Plan (2007-2013) (SPO, 2006), the emphasis is more upon the harmonisation with the EU CAP as a result of the Agricultural Strategy Document covering the same period. The concepts of efficiency, effectiveness, productivity are repeated in both, but there is less reference to the "wrong" implementations of the past in the latter.

[151] "The fundamentals of the agricultural policies shall be determined within the framework of commitments, envisaged in the Agricultural Agreement of the World Trade Organisation and developments in international trade and on the path to the membership, developments in the Common Agricultural Policy of the EU" (SPO, 2001, pp. 149, Art.1280).

development projects on the basis of transparency and governance, improvement of "agriculture-industry integration", restructuring and limiting the activities of the Grain Board (TMO), Directorate General for the Tea Industry (ÇAYKUR) and Turkish Sugar Factories Inc. (TŞFAŞ), restructuring ASCUs, rationalisation of resource utilisation, and determining "economically viable holding sizes" (SPO, 2001, pp. 149-150).

In line with the decisions and objectives stated above, policies of the decade included retrenchment of state support and introduction of a direct income support model, privatisation of agricultural state economic enterprises, establishment of independent regulatory agencies and restructuring of agricultural sales cooperatives and their unions. To begin with, state support for agriculture has decreased significantly in the 2000s. As it can be seen in the table below, although total agricultural support increased nominally, its share in the budget and in GDP has decreased continuously. Whereas the share of agricultural supports in the state budget was 7.5% in 2000, it was 2% in 2010. The share of agricultural supports in GDP decreased from 2.3% in 2000 to 0.5% in 2010. Apart from the total decrease in supports in this decade, the composition of supports changed in the beginning of this period. Traditional support mechanisms, namely price, input and credit subsidies, disappeared after 2001, giving their place to DIS, as targeted.[152]

**Table 22 Agricultural Support Indicators 2000-2010 (amounts in million TL)**

| | **2000** | **2001** | **2002** | **2003** | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **TAS*** | 3867 | 4796 | 3828 | 3615 | 3716 | 4020 | 4747 | 5643 | 5864 | 4749 | 5947 |
| **DIS**** | 2 | 84 | 1877 | 2330 | 2480 | 2357 | 2653 | 1640 | 1140 | 0 | 0 |
| **GDP***** | 166658 | 240224 | 350476 | 454781 | 559033 | 648932 | 758391 | 843178 | 950534 | 952559 | 1098799 |
| **TBE******** | 51344 | 86972 | 119604 | 141248 | 152093 | 159687 | 178126 | 204068 | 227031 | 268219 | 294359 |
| **DIS/ TAS** | 0.0005 | 0.0175 | 0.4903 | 0.6445 | 0.6674 | 0.5863 | 0.5589 | 0.2906 | 0.1944 | 0 | 0 |
| **TAS/ TBE** | 0.075 | 0.055 | 0.032 | 0.026 | 0.024 | 0.025 | 0.027 | 0.027 | 0.025 | 0.018 | 0.020 |
| **TAS/ GDP** | 0.023 | 0.020 | 0.011 | 0.008 | 0.007 | 0.006 | 0.006 | 0.007 | 0.006 | 0.005 | 0.005 |

*TAS: Total Agricultural Supports ( Million TL)
**DIS: Direct Income Support ( Million TL)
***GDP: Gross Domestic Product ( Based on current prices in 1998 ) ( Million TL)
****TBE: Total Budgetary Expenditure ( Million TL)

[152] Other new support items were adopted in this period, such as alternative crop – for previous tobacco and hazelnut farmers who will transition to alternative crops – and agricultural insurance and rural development – within the framework of EU harmonisation. However, their effect has been very limited compared to DIS as their share in total supports has been low. See 10th Development Plan (SPO, 2014, p. 36) for numbers.

Source: TAS, DIS, GDP and TBE statistics are derived from statistics published in SPO Special Commission Reports (SPO, 2007, p. 79), (SPO, 2014, p. 36), and Central Bank electronic data delivery system (https://evds2.tcmb.gov.tr/index.php?). Ratios are author's own calculation.

Upon the publication of the Council of Ministers Decision in the Official Gazette on March 14th 2000, DIS started to be implemented and continued until 2008. In 2000, a pilot project was pursued in four cities; Ankara (Polatlı), Antalya (Serik and Manavgat), Adıyaman (Merkez and Kahta) and Trabzon (Akçaabat and Sürmene). An amount equivalent to $5/decare was paid to farmers for their registered lands up to a maximum of 199 decares. In 2001, it was implemented in the whole country - 10 million TL[153]/decare was paid for a maximum of 200 decares. In 2002, size of the land was increased to 500 decares and 13.5 million TL/decare was paid. Land size remained at 500 decares after 2002. The amount of the payment increased to 16 million TL in 2003, but decreased to 10 TL in 2005 and to 7 TL in 2007. The share of DIS in total agricultural supports was almost 50% in 2002, in only one year of its countrywide implementation. This was due to the abandonment of traditional state subsidies after 2001.

The main problem associated with the DIS system was its being independent of the production process, unlike previous support mechanisms. In its formulation, the DIS system is in parallel with the new form of agricultural support applied worldwide. By the late 1990s, reforming agricultural policy in a way that it would be more responsive to market signals, instead of resulting in increased but not realised production, was on the agenda of OECD countries. "The basis for reform was further developed in 1998, when ministers agreed that policies should be transparent, having easily identifiable objectives, costs, benefits and beneficiaries; tailored, to provide support only as necessary to achieve identified outcomes; flexible and equitable; and targeted to specific outcomes and as far as possible "decoupled" [… that is, having no or only very small effects on production and trade]" (OECD, 2011, p. iii). In the EU, MacSharry Reform had initiated a transition from price support to direct payments in Common Agricultural Policy in 1992 (EC, 2015a), and direct payments were "de-coupled" from production as a result of 2003 reform (EC, 2015b). Implementation of DIS in Turkish agriculture was a part of the EU harmonisation process, in addition to the requirements of WTO, IMF and World Bank.[154]

[153] This was before the removal of six zeros from Turkish Lira in 2005, 10 million TL of the time is equivalent to 10 TL of today.
[154] See Progress Report (EC, 2001, p. 61).

Despite the fact that this system is in parallel with the support mechanisms in other countries in its formulation, it has a unique form in practice because of the unique characteristics of the Turkish agricultural structure. One of the reasons behind criticism of the old supporting mechanisms was that they "tend to benefit rich farmers more than poor ones" as stated in the 1999-dated IMF letter of intent; and DIS was presented as a solution to this problem (Önal & Erçel, 1999). Yet, it didn't eliminate the inequalities among farmers as targeted; on the contrary, it deepened them. Small farmers experienced difficulty in entering the system and consequently did not benefit from the support, and could not be registered as well; whereas bigger farmers utilised the system more by dividing their lands into smaller portions in accordance with the size limits (200 and later 500 decares) and registering these portions under different names in the family or making real or artificial tenancy contracts for them (Yılmaz, et al., 2008, p. 263). In the absence of effective controls, it was possible for landowners who do not even live in the village and have no relations with farming to get paid through either hiring their land to producers or simply getting a producer certificate (Yalçınkaya, et al., 2006, p. 113). Apart from deepening existing inequalities, DIS also failed to be properly implemented. Announcement of the amount of payment and the payment itself was late every year, so those who were registered in the system could not get the support on a regular basis.

Besides the transition from previous state support mechanisms to the DIS system, another policy implemented in the 2000s was the completion of the process of privatisation of agricultural SEEs. TİGEM (General Directorate of Agricultural Enterprises) had been included in the scope of privatisation in September 2003, but was excluded in August 2004 (PrivAdm, 2015a, p. 31). Together with TİGEM, TMO and ÇAYKUR were the only SEEs that could not be privatised in this period. However; whilst abandonment of support purchases for grain limited the space of intervention for the former, entrance of private actors into the tea market broke the monopoly of the latter; in accordance with the targets set in the 8$^{th}$ Development Plan. Agricultural enterprises affiliated to TİGEM, on the other hand, became subject to long term leases by the private sector. The privatisation process of TÜGSAŞ (Fertiliser Industry Inc.) had started in the last decade; it was merged with SEKA (Cellulose and Paper Factories) under Sümer Holding Inc. and ceased to exist as a legal entity on 19 September 2005 (PrivAdm, 2015a, p. 27). TZDK (Agricultural Equipment Institute) was privatised on 7 January 2000, and similarly lost its legal entity in 2003 (ibid). The state moving out of the fertiliser and agricultural equipment industries is in parallel with the change in the support structure. This meant decreased involvement by the state in agricultural

production process, paving the way for a greater involvement by private actors and also by international actors as a result of liberalisation of foreign trade.[155]

In addition to the decreasing role of state in the agricultural production process as a whole, its long standing existence in both production and marketing of some special crops has also ended in this period. The cases of tobacco and sugar in the early 2000s clearly show this transformation. The steps taken towards the restructuring of tobacco and sugar markets are appreciated by the EU as a progress regarding common market organisations (EC, 2002, p. 81). The SEEs related to these products, TEKEL (General Directorate of Tobacco, Tobacco Products, Salt and Alcohol Enterprises) and TŞFAŞ (Sugar Factories Inc.) were in the privatisation portfolio. TŞFAŞ was included in the portfolio on 8 October 2007 and the privatisation process is still continuing.[156] TEKEL had been included in the scope of privatisation much earlier, on 5 February 2002. The Decision of the Higher Board of Privatisation was to privatise TEKEL with a block sale method; but as the bid concerning cigarettes was cancelled, alcoholic beverages were sold on 27 February 2004.[157] Whereas the alcoholic beverages part was privatised easily and quickly, this was not the case for tobacco; it was only after four more years on 24 June 2008 that Cigarette Industry and Trade Inc. was sold to British American Tobacco for $1,720million (PrivAdm, 2015b). Privatisation of TEKEL is crucial as it led to the famous TEKEL Resistance which started on 15 December 2009, when previous TEKEL workers came to Ankara to protest their temporary status known as 4-C (named after the Civil Servants Act Article 4, paragraph C, regulating temporary employment) and after being repressed harshly by the police, stayed in tents for 78 days in the city centre of the capital city under winter conditions. The resistance of TEKEL workers was distinctive in a period of stagnation on the side of working class movements.

TŞFAŞ and TEKEL were state monopolies in the sugar and tobacco markets respectively, involved in both production and marketing of these products. This involvement was eliminated through not only the privatisation process but also establishment of independent regulatory agencies in these markets. Proliferation of independent regulatory

[155] As a consequence of the privatisation process capital got concentrated and became more of a foreign content in almost each specific sector within food and agriculture. For a detailed analysis of this, see Oral (2013b).

[156] Upon the Council of State's motion for stay of execution on 12/06/2008, TŞFAŞ was excluded from the privatisation portfolio, but included again on 12/08/2008. It was decided that the process should be extended until 31/12/2011 on 10/08/2010; later until 31/12/2014 on 18/08/2011; and later until 31/12/2016 on 15/12/2014 (PrivAdm, 2015a).

[157] Alcoholic beverages were sold to Mey Alcoholic Beverages Industry and Trade Inc. that was established by the Joint Venture Group of Nurol-Limak-Özaltın-Tütsab for $292millions in 2004 (PrivAdm, 2015b). In 2006, 90% of Mey shares were sold to American Texas Pacific Group for $810millions. 5 years later, it was sold to British Diageo for $2.1 billion.

agencies in the early 2000s[158] found its reflection also in the agricultural sector. In accordance with the objective of purification of economic management from political pressures that distort effective functioning of the market and prevent efficiency by creating a burden on the fiscal budget; these agencies, where the decision-making mechanism is operated by technocrats, would enable the achievement of efficiency in the markets of these agricultural crops.

A similar process was pursued for the restructuring of ASCUs. As part of the ARIP, cooperatives being "channels for implementation of government programs" had been criticised by the World Bank, since this "proved to be detrimental to the development of the cooperatives and their capability to provide efficient services to their members"; and it was intended that they become "independent cooperatives responsible for their own finances, management and operations" (WB, 2011, p. 9). As a result of the ARIP implementation, however, unions were liquidated rather than being restructured to gain independence (Oral, 2013a, pp. 334-335).[159] The share of ASCU purchases within total production decreased significantly and more than half of the employees were fired in this period (Oral, 2013a, p. 335).

In short, withdrawal of the state from the agricultural sector for the sake of an effectively and efficiently functioning market and its restructuring in line with market principles have been achieved through the polices of elimination of state support, privatisation, establishment of independent regulatory agencies and ASCU restructuring. Agricultural transformation, which had started after 1980 within the context of further marketisation and a reopening up of the Turkish economy in general, have been completed in this decade through effective implementation of these policies. This effective implementation, in turn, was facilitated by legitimisation through enactment of a series of laws that will be examined in the next section.

[158] Most of the IRAs were established between 1999 and 2002 in Turkey; whereas there were some before 1999: Capital Market Board (1981), Higher Board of Radio and TV (1994) and Competition Agency (1994). Banking Regulation and Supervision Agency was established in 1999, Telecommunications Agency in 2000, Energy Market Regulatory Agency in 2001, Sugar Agency in 2001, Tobacco and Alcohol Market Regulatory Authority in 2002 and Public Procurement Agency in 2002.

[159] Taskobirlik (grapes) let its juice factory to the private sector. All assets of Kayısıbirlik (apricots) were sold by judicial sale. Fiskobirlik (hazelnut) stopped buying hazelnuts, sold some of its assets and decreased the number of employees. Tariş Pamuk Birliği (cotton) stopped production, sold its factories and most of its assets. For a detailed inventory see Oral (2013a, p. 334).

### 3.3. Legal Framework

Unlike the 1990s, this decade was very fruitful in terms of the establishment and strengthening of a legal framework for the ongoing agricultural transformation process. Although in most cases laws follow practices, they provide a better ground for continuation of the process with less interruption. A series of laws were enacted in the first decade of the 2000s, covering a wide range of topics from cooperatives and specific sub-markets to new forms of farming, stocking and marketing, from land use to seed. In this section, these agriculture-related laws will be scrutinised.

Before going into the details of individual laws, it should be noted that whereas the focus of legal regulations was still on the elimination of old structures in the first half of the decade, it was on building new ones in the second half. This found its expression in the Agricultural Strategy Paper of 2004[160], as "free market mechanisms could not develop before 2000 because of the dominance of agricultural SEEs" (HPC, 2004, p. 7). This underlines how obstacles of old institutions and structures were overcome and hence an appropriate environment for institutionalisation of agricultural transformation was created. The enactment of the broad-scoped Agricultural Law, which will be elaborated upon below, in 2006 is indicative in this sense. Accordingly, the language used in the legal documents differ in the first and second halves of the decade; the terms referred to evolved from "burden, intervention, political" to "market, competitive, effective, independent". JDP's coming to power in 2002 and taking over the process in a speedy manner contributed to this shift.

To begin with, the legal infrastructure for the restructuring of Agricultural Sales Cooperatives and their Unions was completed in this decade, in line with the policies discussed in the previous section. Firstly, the ASCU Law[161] was made in 2000 with the objective of "enabling ASCUs to gain effective and sustainable autonomy and financial independence by creating a legal framework for their restructuring" (TGNA, 2000). A Board

[160] Agricultural Strategy Paper was published by High Planning Council on 30/11/2004. It covers the period between 2006 and 2010, and aims to create a basis for the planned legislation for that period. In this document, Strategic Goals are defined as ensuring food security, increasing competitiveness of farmers, developing agricultural marketing infrastructure and agriculture-industry integration, developing and implementing rural development projects, establishing independent – from the public sector- and autonomous APAs (HPC, 2004, p. 1). It is stated that the pursuance of these goals will ground on EU-CAP harmonisation process and WTO agreement; and that support mechanisms which will not distort market mechanisms, will be implemented to achieve agricultural production under market conditions (ibid). These include deficiency payments, livestock subsidies, rural development supports, compensatory payments (alternative crop), crop insurance, ÇATAK (Environmentally Based Agricultural Land Protection) and other supports (HPC, 2004, pp. 2-3). Their share in total agricultural supports will be 55%, whereas DIS will remain as the main support mechanism constituting 45% on its own (HPC, 2004, p. 5).

[161] The Law on ASCUs, numbered 4572, was accepted on 1/6/2000 and entered into force on 16/6/2000.

for Agricultural Restructuring, which would direct this process, was established with this law. Economic enterprises owned by the unions can be turned into joint stock companies in 3 years as from the publication of the law. In addition, the staff working in the unions will be transferred to other public institutions as civil servants upon application. The ASCU Law and its consequences was consistent with the aim of commercialisation and getting rid of the redundant personnel of the cooperatives and unions. As a follow up, in 2004, another law on Agricultural Producers Associations was made.[162] The objective of this law was to regulate establishment of APAs based on products in order to "plan production according to demand, develop crop quality, consign products to market in line with existing norms and standards without taking possession, and increase marketability of products at national and international scales" (TGNA, 2004b). When compared with the objectives defined in the 1985 Law that had regulated the establishment of ASCUs, which were "meeting the needs of producers related with occupational activities, making better use of their products and protecting their economic interests by mutual help, solidarity and warranty" (TGNA, 1985); how the understanding of farmer organisations has changed can easily be observed. Restructuring of farmer organisations has been a two-phased process; one was the dissolution of cooperatives and unions, the second was farmers coming together again under new conditions. In the latter form, rules of market replaced the idea of mutual help and solidarity. The shift from producer-oriented organisations to market-oriented ones marked this restructuring process, and was also reflected in the legal documents.

Making substantive changes regarding the sugar and tobacco sectors, which had been dominated by state monopolies for a long time, was one of the policies of this period; and this found its reflection in the legal developments as well. According to the Sugar Law (TGNA, 2001) [163], starch based sugar can constitute 10% of the total sugar production and Council of Ministers has the authority to increase/decrease this amount by up to 50% (Art. 3). Council of Ministers has never decreased that quota; on the contrary, it increased it every year by 25-50%[164] (ZMO, 2014). The introduction of starch based sugar as a substitute for sugar beet has negatively affected traditional sugar beet producers. In parallel to the change in state intervention, the Sugar Law regulates the rules to be applied for price determination; whereas price of sugar is to be freely determined under market conditions, that of the sugar beet is determined upon the deal between producers and sugar factories (Art. 5). Within the context

[162] The Law on APAs, numbered 5200, was enacted on 29/6/2004.
[163] Sugar Law, numbered 4634, was enacted on 4/4/2001.
[164] From 2002 to 2007, it was increased by 50 %. The increase was 35% for 2007-2008 and 25 % for 2008-2009, and again 50% until 2011.

of depoliticisation of economic management, the Sugar Law establishes the Sugar Agency, which will be authorised to regulate the sugar market, and mainly financed by the fees of companies working in the market (Art. 9). Having financial autonomy and independence from so-called political pressures, the Agency is expected to regulate the sugar market in line with the objective of marketisation.

After the Sugar Law of 2001, the Tobacco Law[165] was made in 2002. Similarly to the Sugar Agency, an independent regulatory agency named Tobacco and Alcohol Market Regulatory Authority is established with the law (Art. 1); having administrative and fiscal autonomy (Art. 2).[166] Support purchases are eliminated (PC 1-B); tobacco is purchased through the contract between producers and buyers (either merchants or factories) or through auction; price is determined by the contract or opening price is *technically* determined by the Institution for the latter case (Art. 6, para. 1). Therefore, the state ceases to be a part of the contracts that have been implemented for years and transfers the duty of intervention into prices to a technical, that is, a non-political authority.[167] Involvement in tobacco products production requires meeting the conditions of having a capacity of producing annually at least 2 billion items per shift (for cigarettes) and 15 tonnes per shift (for other tobacco products), and capability to establish production plants with full and new technology (Art. 6, para. 2); underlining the shift to the big-scale capital. Export and import of tobacco and tobacco products are liberalised (Art. 6; PC 1-G). The Law also regulates restructuring and privatisation of TEKEL (Art. 10; PC 1). The first draft of the Tobacco Law was vetoed by the President on the grounds that it has no regulations concerning the protection of tobacco producers against possible negative consequences of the law and that this is in contradiction with the understanding of social state, hence unconstitutional; however, it was passed by parliament once again without any change.[168]

Agricultural transformation brought about changes concerning the agricultural crop itself and thereby its production process, as will be discussed in the next section. The new

[165] Full name of the law is the Law Regarding the Amendment in the Law numbered 4046 and in the Decree Law numbered 233 regarding the Restructuring of the General Directorate of Tobacco, Tobacco Products, Salt and Alcohol Enterprises, and Production, Domestic and Foreign Trade of Tobacco and Tobacco Products. This law, numbered 4733, was enacted on 3/1/2002 (TGNA, 2002).

[166] Although this institution was established in 2002, annulment of one article by the Constitutional Court, about transfer of authority from legislative to executive, created a legal hole for its functioning. After 6 years of de facto functioning an amendment made in 2008 provided a legal ground for the institution. It was the concept of effectiveness, which gave that transfer of authority legitimacy.

[167] Elimination of support purchases by TEKEL was not easy. With additional clauses in 2003, 2004 and 2006, continuation of support purchases was enabled. In practice, TEKEL's intervention into tobacco market, although limited, continued until the privatisation process was completed.

[168] For a detailed analysis of law-making process for the Tobacco Law see Şafak-Çubukçu (2012, pp. 82-92).

form agricultural crops have taken worldwide necessitated some new laws that would cover this transformation in a Turkish context, for which relations with international institutions played an instrumental role. Turkey became a member of the International Union for the Protection of New Varieties of Plants (UPOV) and the law on new plant varieties dated 2004[169], which was drafted in conformity with the UPOV Convention, refers to breeders' intellectual rights, besides regulating the development of new varieties. This is a novelty for the Turkish agricultural structure, within which all accumulated knowledge has passed through generations and been collectively owned.

Following that, organic farming in Turkey, which had already started in the 1980s, gained a legal ground with the Organic Farming Law dated 2004.[170] The fact that organic farming became popular worldwide and gained significance in agricultural trade in the 1990s, and also the EU legislation for organic crops exporting countries (1991) had created the necessity to issue a regulation in 1994; but it was only ten years later that a law was enacted to cover organic farming activities in Turkey from production to marketing (MFAL, 2014, p. 7). The Law defines organic farming activities, their control and certification, import and export of organic products, their advertisement, and fines in cases of failure of legal compliance. In 2005, The Regulation on Principles and Application of Organic Farming was issued to clarify organic farming activities, and especially the process of export, in line with EU Council Regulation No. 2092/91 (MFAL, 2014, p. 7). Harmonisation with the EU legislation has been effective on enactment and amendment of the legal framework of organic farming, as the EU has been an important market for organically produced crops. The proliferation of organic farming in Turkey underlines the shift from state-led production to commercialisation through certification process, from self-sufficiency to marketable production, from feeding masses to being appealing for those consumers with higher incomes.

A further step in legally regulating the new form of agricultural crop was taken with the Biosafety Law[171], in 2010. It mainly deals with genetically modified organisms and products; their contained use; their launch to market for the purposes of processing and consumption as food or forage; their import and transit. The Law also established the Biosafety Board to regulate and control GMO-related activities. According to the Law, purposes of use of GM crops should be expressed in the applications, each different purpose

[169] On 15/1/2004, Law on the Protection of Breeder's Rights for New Plant Varieties, numbered 5042, entered into force (TGNA, 2004a).
[170] Organic Farming Law, numbered 5262, was made on 1/12/2004 (TGNA, 2004b).
[171] Biosafety Law, numbered 5977, was enacted on 18/3/2010 (TGNA, 2010b).

requires a different application; applications are assessed and relevant permissions are given by the Board (Art. 3). This requirement enables us to find out that GM crops are highly used in the forage industry; and the varieties imported have been increasing significantly since the enactment of the Law.

Standardisation of agricultural products in this period, and the increasing role of the private sector to achieve that, was also reflected in the legal framework; as their stocking and marketing necessitated new regulations accordingly. A law on licensed warehousing[172] was made in 2005 to enable storage of agricultural products under better conditions by licensed warehouses, which are to be founded as private companies, for facilitating their marketing. Another law on market halls[173] was enacted in 2010. It aims to ensure prices to be determined and sales to be realised under free market conditions, and a level of standardisation to be achieved in wholesale halls (Art. 6). Places in the halls are run through let or sale; at least 20% are allocated to producer organisations (Art. 11). In addition to the existing private halls, municipalities can transfer management of their halls to private actors (Art. 9). The Law also regulates retail marketplaces and producer marketplaces; it attempts to modernise all. Products on sale are tagged and recorded, a novelty for agricultural products. The level of standardisation of agricultural products also depends upon other factors such as unexpected climate changes. A law in insurances[174] was adopted in 2005 to regulate the compensations to be paid to farmers in cases of damages caused by the risks defined in the law –mainly natural disasters. According to the law, cost of damages are assessed by agricultural engineers, technicians, zootechnicians or veterinarians (Art. 9); and insurance companies make agricultural insurance contracts directly with the producers (Art. 14). Losses of farmers are calculated *technically*, that is, objectively; and the state externalises the risks through transferring responsibility to private companies. In a sense, the area of insurance is also depoliticised.

It had been mentioned that land consolidation and non-agricultural use of lands have been among the most significant consequences of agricultural policies of the decade. The law on land use[175], which was made in 2005, provided the legal ground to this. Alongside protection of lands, the Law deals with classification of agricultural lands and definition of land parcel sizes, in accordance with *scientific* principles (Art. 2). It prevents division of

[172] Law on Licensed Warehousing in Agricultural Products, numbered 5300, was accepted on 10/2/2005 (TGNA, 2005a).
[173] The Law on Fruits and Vegetables Wholesale Market Halls was adopted on 11/3/2010, numbered 5957 (TGNA, 2010a).
[174] Agricultural Insurances Law, numbered 5363, was accepted on 14/6/2005 (TGNA, 2005b).
[175] Law on Land Protection and Land Use, numbered 5403, was adopted on 3/7/2005 (TGNA, 2005c).

lands into smaller parcels than the defined sufficient size[176], even by means of inheritance; in that case joint use, tenancy or sale are the permitted methods (Art. 8). Moreover, land can be consolidated to "achieve optimum parcel size for rational use" (Art. 17).[177] This contributed to dissolution of small farmers, as the lands they own remained below the rational size. The Law also regulates use of agricultural lands out of purpose. It states that those lands cannot be used for purposes other than agricultural production, but if there are no alternative areas the Ministry can allow that for specified needs[178] (Art. 13). This constitutes the legal ground for opening up agricultural lands for non-agricultural investments in line with the provision of a favourable environment for investments and the construction boom in this decade; resulting in further commodification of land. The total amount of lands that are permitted to be used for non-agricultural purposes in the first decade of 2000s is 827,000 hectares (Gülçubuk, 2012, p. 67).

The most important law enacted in this decade is the Agricultural Law, dated 18/4/2006, numbered 5488 (TGNA, 2006a). As the name suggests, this law covers a broad scope and is a summary, as it were, of all of the agricultural policies discussed above. Principles of agricultural policies are defined in the law as follows: "integral approach for agricultural production and development; compliance with international commitments; use of support tools that will not distort market mechanisms; getting organised and institutionalised; increasing the role of private sector; sustainability, awareness for human health and environment; decentralisation; participation; transparency and disclosure" (Art. 5), which are self-expressing. Priorities of agricultural policies as referred to in the law include achievement of productivity, plant variety, quality, competitiveness; food security; infrastructure development; information and technology; production-market integration; agriculture-industry integration; financing farming; support; risk management; rural development; producer organisations; information systems; land consolidation to establish economically sized lands; rational use of resources; and harmonisation with EU legislation

[176] Later defined more precisely for each type of land (Law regarding the Amendment of the Law on Land Protection and Land Use, Law No. 5578, 31/1/2007, Art.2). Recently, two new terms were added to the law, namely minimum agricultural land and agricultural land with sufficient income. Again minimum amount is defined for each type and for the latter kind of lands a detailed list depending on the location of lands is provided (Law regarding the Amendment in the Law on Land Protection and Land Use, Law No. 6537, 30/4/2014).

[177] Based on this law, a by-law on land consolidation was published on 24/7/2009.

[178] These include security-related strategic needs, temporary need for settlement after natural disasters, oil and natural gas exploration and processing activities, mining activities with public good decision, plans and investments with public good decision. The last case is so vaguely defined that it can refer to a wide amount of situations. Adding to that, investments for road infrastructure and superstructure are also included with an amendment in 2007 (Law No. 5578, 31/1/2007, Art. 3).

(Art. 6). The law regulates how each of these will be pursued in detail. Agricultural supports, alongside other topics, are reregulated in total harmony with the above-mentioned Agricultural Strategy Paper. In a sense, this was only to give the de facto restructured support system a legal ground. According to this law, the amount to be allocated from the budget for agricultural support programmes cannot be lower than 1% of GNP (Art. 21). In practice, however, that amount has remained below 1% since enforcement of the law, showing the weakness of legal acts in terms of having correspondence to reality. The state has been continuously indebted to farmers, but there is no contract between the state and the farmers anymore. On the other hand, each step across the production and marketing of agricultural products –getting all kinds of inputs, knowledge and technology used in production process, storing and selling- are increasingly realised based upon contracts between independent and free parties, in parallel with the principles manifested in the Agricultural Law. In an environment where contracts outweigh legislations, small farmers lose twice; the support they could not collect is added to their own debts, upon which they are increasingly dependent in order to engage in production.

Another important law of the same year was the Seed Law, numbered 5553, accepted on 31/10/2006 (TGNA, 2006b). Its objective is restructuring the seed sector in a way to conform to ongoing marketisation processes. According to the law, only the seeds of registered plant varieties can be produced and domestically traded (Art. 5 & 7). For those products and seeds that were imported and produced for export, there is no requirement of registration (Art. 14). The domestically produced seeds are subject to a process of certification (Art. 6). Certification and standardisation of seed production causes elimination of small actors because of it being a costly process, and involvement of both national and multinational private actors in the sector. Furthermore, it points to a radical change in terms of farmers' inherent power brought about by the fact that seed is a means of production, which can be reproduced through production.[179] Seed production for personal need or barter among farmers is exempted from the Law (Art. 14). Nevertheless, the fact that they cannot sell but seed companies can will inevitably cause farmers to stop seed production. The Seed Law also establishes Turkish Seed Growers Association. Producers become members of Sub-Unions based on product groups and these Sub-Unions in turn are members of the SGA. The Law gives the Ministry the right to transfer its authority –consequently its responsibility- to this Association (Art. 15), underlining the withdrawal of the state from yet another area.

[179] See section 3.4.

A series of laws regarding agriculture have been enacted under JDP governments, but just as important as those were the Decree Laws; which pointed to the emergence of a new governing form in this decade. Decree Laws have been adopted on various and crucial topics, including establishment of ministries.[180] With the Decree Law no. 639, the name of the Ministry of Agriculture and Village[181] Affairs was changed into Ministry of Food, Agriculture and Livestock in June 2011. On the one hand, the term village disappears and never reappears in the new structure of the ministry; on the other hand, livestock is separated from agriculture, whereas the term agriculture should include both in its nature (Gülçubuk, 2012, pp. 61-62; Aysu, 2014, p. 606).

Ministry of Environment and Urbanisation, which will have the authority of dealing with zoning and reconstruction and hence have a say in most restructuring processes for previous agricultural lands, was founded by the Decree Law no. 644, in July 2011. Another Decree Law dated August 2011, numbered 648, both regulated organisation and functions of this ministry and made very significant changes in the Building Law, no. 3194. An article is added to the Law and it enables the allocation of some parts of pasture lands, summer pastures and winter quarters to claimants in return for its price for up to 29 years; and transfer of those parts within tourism centres to the Ministry of Culture and Tourism to be used in accordance with Tourism Promotion Law (Art. 23 of DL 648). In addition, Article 27 of the Law is amended and, according to this, provisions of the Law on Land Protection and Land Use –discussed above- are no longer applied within the limits of settlement areas of villages (Art. 22 of DL 648). These changes meant privatisation of pasture lands, which had been commons for hundreds of years for the peasantry, and further non-agricultural use of agricultural lands.[182]

Another legal regulation that points to a significant change in this decade was the Council of Ministers Decision in 2004, numbered 7893, on transfer of authority to Energy Market Regulatory Authority concerning urgent expropriations.[183] The number of urgent expropriations realised by Council of Ministers Decisions has rocketed under JDP

[180] Dikmen summarises this as follows: "Turkey entered into a new era. Parliament became unoccupied. Despite its power the government prefers governing the country by decree laws instead of making laws" (Dikmen, 2012, p. 1).

[181] In English translations, its name appears as the Ministry of Agriculture and Rural Affairs. However, the exact translation is village rather than rural. Using the exact translation is consciously chosen here.

[182] Partial annulment of this decree law by the Constitutional Court in 2012 shows how unconstitutional it was. However, on 27/2/2013, the Law regarding the Amendment of the Pasture Law, numbered 6443, was accepted. This enabled again opening up of pastures to hiring and construction.

[183] These are regulated by the Expropriation Law of 1983, numbered 2942, Article 27. This Council of Ministers Decision refers specifically to that article while transferring authority to EMRA.

governments; from 11 between 1983, when the Expropriation Law was made, and 2004, to 113 between 2004 and 2011. This signals a change in the meaning of the term "urgent"; away from expropriation for public good. Beginning from mid 2000s, urgency comes from the urgent need to marketise the lands through expropriation and to prevent political opposition (Kaya, 2011). The decision on transfer of authority to EMRA, a non-political institution administered by technocrats, made the situation more complicated. It was behind hundreds of Hydroelectric Power Plant projects implemented in the 2000s, for which commons have been enclosed, on the one hand; but helped depoliticisation of their establishment, hence diverting reactions, on the other.

To sum up, this section summarised the legal framework of agricultural restructuring process by selectively discussing the laws enacted in the 2000s. The policies of restructuring of farmer organisations, privatisation of state monopolies and depoliticisation in sugar and tobacco sectors, development of market-friendly support mechanisms, promotion of organic farming and standardisation of farming, crops and also seeds, land consolidation and opening up of agricultural lands for non-agricultural use, and restructuring of ministries in line with the principle of efficiency have all found their legal basis in this decade. A legal dynamism peculiar to this period shows how aggressive JDP governments were in terms of completing that restructuring; or, in other words, how this dynamism was possible only within this period, under successive one-party governments. The following section will analyse the changes specifically in the agricultural production process that occurred in line with the policies and legislations discussed so far.

### 3.4. Production Process

Agricultural production process has gone through significant changes as a result of privatisations and marketisation of agricultural production. The first decade of the 2000s is peculiar in terms of the volume of changes in production process and this peculiarity is closely related with the fact that privatisations in the sector were almost completed in this period.

Privatisation of agricultural SEEs had started in the 1990s, however that of two important ones had been left to this decade, namely tobacco and sugar. In both sectors, SEEs were state monopolies that had dominated the sectors for a long period of time –since 1925 for tobacco and since 1939 for sugar. Whereas direct involvement of the state in production,

marketing and market regulation is decreasing[184], these areas are increasingly left to international companies as a consequence of the privatisation process. Trade liberalisation in agriculture, which characterised the 1990s, had already facilitated foreign investments, but these were at a very limited amount. Privatisations, on the other hand, caused previous state monopolies to hand over their market shares to international monopolies in both tobacco and sugar sectors in this decade. Dominance of Diageo, BAT and Cargill in alcohol, tobacco and sugar markets respectively show how national monopolies have been replaced by international ones.[185] The environment encouraging private investments in this decade also contributed to this. Furthermore, whereas the change could be observed through the increasing volume of import and export in the 1990s, the effect of market liberalisation together with privatisation on the production process is more appreciable in the 2000s.

The decrease in total agricultural production has been portrayed above. Having a closer look at the two sectors specifically would indicate the quantitative change in the area of production. The table below shows the number of tobacco producers, the size of tobacco cultivated lands and the amount of tobacco production by years. Between 1998 and 2011 tobacco production decreased by 82% and the size of the lands used for tobacco production decreased by 65%. More dramatically, 92% of the producers left tobacco production. In nominal terms, we are talking about 571,000 producers; when the size of their families that used to live on tobacco production are taken into consideration, the number amounts to millions.

**Table 23 Tobacco Producers, Cultivated Land and Production**

| **Years** | **Producers (thousand)** | **Land (hectares)** | **Production (thousand tonnes)** |
|---|---|---|---|
| **1998** | 622 | 275 | 251 |
| **1999** | 568 | 259 | 243 |

[184] Through the SEEs, the state used to be involved in not only production and marketing, but also regulation of the markets of specific crops. This latter function is transferred for sugar and tobacco to the independent regulatory agencies. That the regulation process is transferred to technocrats caused direct confrontation of labouring and capitalist classes, in the absence of an arbitrating state.

[185] There has been a quick process of concentration and monopolisation of capital in tobacco market; share of multinational companies increased from 61% to 92% between 2006 and 2011 (Bor & Leblebici, 2014, p. 308). By buying TEKEL, BAT increased its market share in tobacco from 5% to 35% in 2008 (Karakaş, 2014, p. 79). MEY Alcoholic Beverages Company, bought by Diageo, is the leading in spirits market (GAIN, 2013, p. 3). Cargill is the leading company in starch based sugar sector, the quota of which has been continuously increased so far.

| | | | |
|---|---|---|---|
| **2000** | 583 | 237 | 200 |
| **2001** | 478 | 196 | 145 |
| **2002** | 406 | 191 | 153 |
| **2003** | 319 | 183 | 112 |
| **2004** | 282 | 193 | 134 |
| **2005** | 252 | 185 | 135 |
| **2006** | 215 | 146 | 98 |
| **2007** | 180 | 145 | 75 |
| **2008** | 182 | 147 | 93 |
| **2009** | 77 | 116 | 81 |
| **2010** | 64 | 81 | 53 |
| **2011** | 51 | 97 | 45 |
| **Source:** (Oral, 2013, p. 462) | | | |

Throughout the same period, sugar beet production decreased by 27% and the size of the lands used for sugar beet production decreased by 41%; as it can be seen in the table below. 320,000 producers, that is, 65% of the producers left sugar beet production.

**Table 24 Sugar Beet Producers, Cultivated Land, Production**

| **Years** | **Producers (thousand)** | **Land (hectares)** | **Production (million tonnes)** |
|---|---|---|---|
| **1998** | 492 | 501 | 22 |
| **1999** | 420 | 416 | 17 |
| **2000** | 411 | 408 | 19 |
| **2001** | 479 | 357 | 13 |
| **2002** | 492 | 372 | 17 |
| **2003** | 460 | 319 | 13 |
| **2004** | 391 | 321 | 14 |
| **2005** | 348 | 336 | 15 |
| **2006** | 312 | 324 | 14 |
| **2007** | 247 | 299 | 12 |
| **2008** | 209 | 321 | 15 |
| **2009** | 188 | 324 | 17 |
| **2010** | 197 | 329 | 18 |
| **2011** | 172 | 294 | 16 |
| **Source:** (ZMO, 2014), **Figures rounded.** | | | |

Beyond the quantitative change in tobacco and sugar beet production, there has been a qualitative change in terms of the type of product, and hence of the production process. In both sectors, there occurred a transition from traditional to new products where they are used as industrial inputs for cigarette and sugar production; from Oriental/Turkish tobacco and sugar beet to Virginia or Burley type tobacco and starch based sugar respectively.

As a result of liberalisation of tobacco imports in 1989, the amount of imported tobacco used in cigarette production had already surpassed that of domestic by 2003. In this decade, this supremacy increasingly continued as the table below shows; and in 2011 only 19% were domestically produced tobacco. Moreover, 10% of it was of Virginia and Burley type (TAPDK, 2015a). Between 2003 and 2011, the number of producers producing foreign origin tobacco increased by 17%; and that for Turkish tobacco decreased by 85% (TAPDK, 2015b). Production of oriental tobacco decreased so much that it started to be imported to be used in cigarette production beginning from 2005 (TAPDK, 2015a).

**Table 25 Use of Tobacco by Cigarette Producing Companies Based in Turkey (%)**

| **Years** | **2003** | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** |
|---|---|---|---|---|---|---|---|---|---|
| **Domestic** | 42 | 48 | 42 | 35 | 32 | 26 | 24 | 20 | 19 |
| **Import** | 58 | 52 | 58 | 65 | 68 | 74 | 76 | 80 | 81 |
| **Source:** (TAPDK, 2015a)**. Figures rounded.** | | | | | | | | | |

The change in the product type has implications for the change in the production process. Turkish tobacco is characterised by its small size, average leaf length is 10 cm; whereas it is 80 cm for Virginia. Collecting and stacking of these small sized leaves, which are sun-cured on strings, requires manual labour, causing almost all household members to be involved in production. Arid climate and poor quality soil, and also smaller lands in parallel with the size of the product, are suitable for cultivating Turkish tobacco. (TED, 2015a) Therefore, this type fits small farmers perfectly; hence the significant amount of petty commodity producers in tobacco sector (Keskin & Yaman, 2013, p. 459). Virginia tobacco production is much less labour-intensive - it is harvested more easily thanks to bigger leaves, and flue-cured which is quicker. It requires a humid climate and stronger soil, and also bigger sized lands. (TED, 2015b) Increasing elimination of Turkish tobacco from tobacco and tobacco products markets in Turkey in the 2000s resulted in elimination of tobacco producers, as the numbers above have shown. It was a change in the size of not only tobacco leaves, but also farmers.

Similarly, the change in the product type also has implications for the production process in the sugar sector. Production of starch-based sugar increased by 31% between 2002 and 2011, as the table below shows. Whereas the share of beet sugar in total sugar exports decreased from 97% to 42% between 2000 and 2011, that of starch based sugar increased from only 3% to 58% surpassing the traditional beet sugar only in a decade (SK, 2012, p. 22).

**Table 26 Beet Sugar vs. Starch Based Sugar Production by Years (thousand tonnes)**

| **Years** | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|---|---|---|---|---|---|---|---|---|---|
| **Beet S** | 2,157 | 1,762 | 1,940 | 2,070 | 1,845 | 1,708 | 2,152 | 2,531 | 2,262 |
| **SBS** | 394 | 366 | 433 | 415 | 440 | 411 | 418 | 515 | 516 |
| **Source:** (SK, 2012, pp. 18, 20)**.** | | | | | | | | | |

Like Turkish tobacco, sugar beet had provided employment for thousands of people. This was mainly because of direct involvement of the state in the sugar sector until the 2000s, but another reason for this was the unique characteristic of sugar beet, which combines agriculture and husbandry (Aysu, 2014, pp. 589-590). Not only parts of sugar beet that are low in sugar content are pressed and turned into forage during the cutting phase, but also leaves of sugar beet are used by farmers as forage for their animals. In this sense, the transformation of the sugar sector exemplifies the separation between plant production and animal breeding, which facilitates commercialisation of both, in this decade (Aysu, 2014, p. 606). Starch-based sugar is produced from staple crops such as corn, wheat, potato, containing starch; mainly corn/maize, production of which doubled between 2002 and 2011 (SK, 2012, p. 21). The high fructose corn syrup in starch-based sugar threatens human health. Maize is also the number one genetically modified crop used in the forage industry, creating another risk as it can be contaminating to foods. Maize has been related with unhealthy conditions both in the sugar and forage sectors, , while it has marked commercialisation through the separation between agriculture and husbandry. Although privatisation of sugar has not yet been completed, both starch-based sugar and GM-maize are totally produced by private companies (TURKSEKER, 2014, p. 27; TBDM, 2015).

Privatisation also contributed to further mechanisation of agriculture, as trade liberalisation did in the previous decade. The change in agricultural equipment and machinery, shown in the table below, underlines how farming became even less labour-intensive in this period. There has been a 65% decrease in the number of ploughs in ten years,

whereas that of tractors and combine harvesters each increased by 19%, indicating a continuity in mechanisation. Use of manual labour, which is not reflected in these numbers, has decreased as well as a consequence of the attempt to achieve efficiency in agriculture, as seen in the tobacco case. This added to the change in the labour-intensive characteristic of Turkish agricultural structure.

**Table 27 Agricultural Equipment and Machinery – 2000s**

| Years | Tractor | Combine Harvester | Plough |
|---|---|---|---|
| **2001** | 948,416 | 12,053 | 146,768 |
| **2011** | 1,125,001 | 14,313 | 51,889 |
| **Source:** (Oral, 2013, p. 482) | | | |

It has been underlined so far that the change in the production process is closely linked with the change in the product type. A phenomenon that illustrates this link in the 2000s was organic farming. It had started with raisins and dried figs in 1984, and the number of organically produced crops had increased to 150 by 2002 (MFAL, 2015a). As discussed above, organic farming gained a legal ground with the enactment of the Organic Farming Law at the end of 2004. Looking at some numbers would show how it became very important in this decade. Between 2002 and 2011, the number of products increased to 225; the number of producers involving in organic farming increased from 12,428 to 42,460, and total production increased from 310,125 tonnes to 1,659,543 tonnes (MFAL, 2015a, p. 14).

In order for a product to be considered as organic, there are some requirements regarding the production process, such as avoiding the use of chemical inputs, separating the land from those lands where other crops are cultivated, keeping production records for a certain period of time. Control and Certification Bodies, which are authorised by the Ministry, issue "Organic Product Certificate" by auditing each step beginning from production until the product reaches to consumers. Production, processing, marketing, import and export of organic products are all based on contracts that should be signed with these bodies. Not only signing these contracts but also meeting their requirements necessitates a high level of economic power and commercial experience. Certification and standardisation,

which are preconditions for organic farming, makes it harder for small farmers to engage in this.[186]

The fact that the EU provides an important market for organic products was effective in proliferation of organic farming in the Turkish context. However, the share of exports in total production decreased from 6% in 2002 to 0.2% in 2011; despite the 435% rise in production (MFAL, 2015b). This shows that organic products have also found a good amount of consumers in domestic markets in this decade. Increasing existence of certified products in domestic market posed another challenge for the competitiveness of small farmers' products.

Producing agricultural crops based on contracts is not limited to organic farming. Although it had started in the 1960s with the contracts made by agricultural SEEs, it was gradually transferred to the private sector after the 1980s and contract farming characterised the 1990s. Similar to organic farming, contract farming gained a legal ground in the 2000s, with the Agricultural Law of 2006.[187] Article 13 of the Law states that "The Ministry [FAL] makes the necessary regulations for development and proliferation of contract farming in agricultural sector" and incentive premiums for that[188] are provided (TGNA, 2006a). The Regulation on Contract Farming, which was published two years later, defines the parties as producer and buyer, and explains what the contracts should include in detail (MFAL, 2008). According to this, "the buyer has the authority to control production sites at each phase during the whole production process" (Art. 5-ç).

The fact that the state ceases to be a party points to the main assumption of Contract Farming, which is that the contracts are signed between equal and independent parties. The buyer and the producer are both free[189] in terms of making the decision to engage in contract farming, and are not bounded by political pressures like the state. The contracts provide the farmer with price and purchasing guarantee, but only when they are able to produce the defined product at the defined quality. This definition, in turn, is made by the buyer, who also has the absolute authority on the production process, as the Regulation on Contract Farming suggests. In this sense, the active subject engaging in contract farming is the company

[186] For a case study from Mexico showing how certification process for organic farming can reproduce existing inequalities, see Tovar, et al. (2005).

[187] Tobacco Law of 2002 introduced contract farming –without the existence of the state- specifically for tobacco, whereas the Agricultural Law of 2006 regulated its implementation in all crops.

[188] In parallel with this, Ziraat Bank provides contract farming credits for both parties in order to encourage this model further. An increasing number of companies engaging in contract farming in the 2000s attracted private banks too and they also introduced specific credits for this model. Whereas these credits facilitate financing of the model, they contribute to the burden of debt on the farmers' side (BSB, 2011, p. 55).

[189] The Regulation states that only those farmers who are registered with Farmers Registration System can engage in contract farming. This, in fact, hinders the freedom to make contracts, defined in Article 48 of the Constitution (Kılıç & Bor, 2010, p. 112).

(buyer), whereas farmers become workers of that company, as it were, for the period covered by the contract. As the company works with many farmers -numbers depending on the crop- at the same time; the bargaining power of each individual producer is very limited compared to that of the buyer. Lack of organised power on the farmers' side in the Turkish agricultural context adds to that.[190] These create a relationship of dependency between the so-called equal parties of the contract, in the absence of the state as a buffer (Oral, 2013c, pp. 347-349). The farmer therefore loses their command over the production process.

Regarding the breaking up of the command of the farmer over the production process, the most significant factor has been the restructuring of the relation between the farmer and the seed in this decade. The Seed Law of 2006 underlines registration, certification and thus standardisation of the seeds. This brought about the transformation of seed production, which is accompanied by a rise in its volume and in the number of private companies in this sector. Seed production rose from 145 thousand tonnes in 2002 to 637 thousand tonnes in 2011 (MFAL, 2015a, p. 15), and the number of companies rose from 120 in 2000 to 570 in 2013 (TÜRKTOB, 2015).

Transformation of seed production has a special meaning beyond further marketisation because of the unique feature of the seed. It is both "the beginning of crop production process" as seed, and "as grain, it is its endpoint"; because in grain, there is the opportunity for producing the seed again (Kloppenburg, 2004, p. 37). Furthermore, consumption of the seed also bears the opportunity for reproduction of the family itself, of the livestock, of the fertility of the soil, depending on which form it is consumed in (ibid). These different functions beyond the commodity form of seed, which is exchanged and realised in the market, gives it a unique characteristic in terms of the relation between farmers and agricultural production process. The reproducibility of the seed poses an obstacle in reproduction of capital; it breaks the circuit of capital each time a farmer reserves the seed for either further seed production or self-reproduction (Kloppenburg, 2004, pp. 38-39). Therefore, the seed gives the farmer a power, an opportunity for resistance, through the very production process thanks to its reproducibility. The transformation of seed production and

[190] On the other hand, a process of crop-based trade unionisation started in the 2000s. Producer trade unions founded in this period include ÜZÜM-SEN (grapes), TÜTÜN-SEN (tobacco) and FINDIK-SEN (hazelnut) in 2004, HAY-YET-SEN (animal breeders), AYÇİÇEK-SEN (sunflower) and HUBUBAT-SEN (grain) in 2005, ÇAY-SEN (tea) and ZEYTİN-SEN (olives) in 2007. Turkish farmers participated in the International Conference of La Via Campesina in 2004. In 2008, trade unions of farmers came together under a confederation named ÇİFTÇİ-SEN. Trade unions have organised some meetings against neoliberal policies, with no significant gains (Aysu, 2014, pp. 657-663).

the seed itself[191] causes this power of the farmer to degrade increasingly; since, "commodification of the seed provides a vehicle for capital to gain an unprecedented degree of control over the shape of the crop production process as a whole" (Kloppenburg, 2004, p. 282). The farmers are no longer able to break the circuit of capital; on the contrary, the capital increasingly gains the ability to break the relation between farmers and the seed, the starting point of farming.

Another point is that the knowledge of production process, which had been transferred orally through generations creating a vast accumulation of knowledge hence contributing to the command of the farmer over the production process, is no longer available. Cost effectiveness became the sole criterion for the methods to be implemented in the production process. All of the inputs are provided externally. As a result of standardisation, every step throughout the production process is now predetermined. The crops that had been produced by the farmers in their own way with their traditional wisdom are now replaced by the standardised crops, which are produced in such a way that the farmer does not have command over the knowledge and instruments of production and out of which they can no longer reserve for their own consumption. In this sense, the farmer is alienated from not only the production process but also the product itself. The fact that the product at hand is a living one that is also affected by unpredictable factors, such as climate or other living things on the same soil, makes this transformation more dramatic. For the new product is gradually becoming more of a product of standardised, factory like process rather than a product of a living process. From the point of view of the farmer, the production process becomes increasingly more meaningless. All of these developments point to how even a farmer, who is still involved in the production process, is detached from it. Those who are totally excluded from this process, on the other hand, are the topic of the next section.

### 3.5. Property Relations and Social Composition

In this last section, how all the developments discussed above were reflected in the land and peasant structure in the first decade of the 2000s will be portrayed; and inferences about the change in property relations and social composition will be made.

[191] Contract Farming model imposes which seed to use from the beginning of the production process, as this is defined in the contracts in detail. For organic farming, the type and quality of the seed is also defined, the seed must be organic as well for the end product to be considered organic. In the case of genetically modified crops, biotechnology carries the seed to a position that is out of reach of farmers. The new form of the seed undermines farmers' power coming from the fact that they own the seed by actively engaging in agricultural production.

To begin with, in line with the diminishing significance of the agricultural sector in general, the size of total agricultural lands decreased from 26,579 thousand hectares in 2002 to 23,782 thousand hectares in 2012 (MFAL, 2015a, p. 2). Restructuring of agriculture has caused a deepening of the long living inequalities in rural Turkey, in addition to the change in the place of agriculture in Turkish economy as a sector. Therefore, the restructuring process found its reflection in not only shrinking of agricultural lands, but also change in their ownership.

General censuses of agriculture provide valuable data in terms of *changing distribution of peasant sizes* over time, thus portraying the general picture of peasantry and land ownership countrywide. The fact that the last census was taken in 2001[192] poses a challenge for capturing that general picture by the end of the decade; but findings of the Agricultural Holdings Structure Survey made in 2006, which provides the most recent official data available on this issue, can be resorted to in order to see how this structure changed in the first half of the decade and to make inferences for the second half. In 2001, small and poor peasants[193] constituted the majority with 84% of total number of holdings, having 42% of total lands; and the average holding size was 61 decares. Although they continue to constitute the majority, the share of holdings below 100 decares had declined to 78.9%, having 34.3% of total lands (TURKSTAT, 2008). Those peasants who have been detached from agricultural production in this decade are mainly poor ones. For instance, tobacco producers, half a million of which ceased to engage in producing tobacco, cultivate typically on approximately 5 da areas. Considering this, it can be estimated that the increase in the share of middle peasants, observed in the 1990s, would have continued in the second half of the 2000s. This would mean an increase in the share of lands possessed by middle sized holdings. However, it should be noted that, in most of the cases, subsistence farming continues for small farmers on the small lands they are not eager to sell (Karkıner, 2014); as a result, the change in the distribution of peasants does not automatically create a directly proportional change in property ownership.

[192] General Censuses of Agriculture used to be taken every ten years. However, after the one taken in 2001 there has not been a completed one as of December 2016.

[193] The categorisation referred to here is as follows: those possessing less than 50 decares are considered as poor and between 50 and 99 decares as small peasants; middle peasants possess 100-499 da, rich peasants 500-999 da, and landlords/capitalist land owners over 1000 da (Günaydın, 2010).

**Table 28 Holdings by Size and Land Tenure (%)**

| Holding size (decares) | Holdings having their own land | | Holdings not having their own land |
|---|---|---|---|
| | Holdings operating only their own land | Holdings operating both their own land and other's land | |
| **-5** | 95.2 | 2.1 | 2.8 |
| **5 - 9** | 96.2 | 2.2 | 1.6 |
| **10 - 19** | 94.2 | 4.1 | 1.7 |
| **20 - 49** | 89.9 | 8.0 | 2.1 |
| **50 - 99** | 82.7 | 14.6 | 2.7 |
| **100 - 199** | 72.7 | 24.7 | 2.6 |
| **200 - 499** | 64.7 | 33.4 | 1.9 |
| **500 - 999** | 55.2 | 42.0 | 2.8 |
| **1000 - 2499** | 59.7 | 40.0 | 0.2 |
| **2500 - 4999** | 65.7 | 33.8 | 0.6 |
| **5000+** | 83.3 | 14.3 | 2.5 |
| **Total** | 85.1 | 12.7 | 2.2 |
| **Source: Derived from** (TURKSTAT, 2006a) | | | |

As it can be seen in the table above, farming on their own land is a continuing characteristic of peasantry as of 2006; 85% of the holdings operate only their own land, and the percentage is higher among smaller peasants. Tenancy-sharecropper relations are observed in middle to rich peasants. Considering again the fact that small farmers are increasingly detached from agricultural production in this decade, this characteristic is expected to change as well.

Dispossession, despite farmers' reluctance, seems to be a natural consequence of detachment from farming, especially through the credit-debt phenomenon (Koç, 2014, p. 190). Yet, the position of small farmers is not the only thing that accounts for the change in the land structure towards elimination of small plotted lands. As it was already discussed, achievement of economically rational[194] sizes for agricultural holdings to overcome ineffectiveness and inefficiency brought about by the fragmented land structure is one of the main objectives of agricultural reform. Land consolidation practices had started in 1961. However, whereas only 450,000 hectares of land had been consolidated between 1961 and

[194] The emphasis on rational use of land meant that "agriculture is no longer the only form of use of the soil", the opportunity cost of which needs to be calculated in order for the most rational use of this natural resource to be determined;creating another area of competition between farmers and those who intend to use the same land for non-agricultural purposes (Keyder & Yenal, 2013, p. 84).

2002; between 2003 and 2014, the size of consolidated lands reached 4,532,785 hectares (MFAL, 2015c, p. 2). In other words, 91% of total land consolidation was realised in this decade. This was due to both completion of the necessary legal regulations – 2005 Law on Land Protection and Land Use and 2009 Regulation on Land Consolidation – and the commitment of successive JDP governments in this period. The table below shows how fragmented the land structure was in 2006. 90% of agricultural lands consisted of 3 or more parcels and almost 24.5% consisted of 10 or more parcels. It should be noted, however, that the share of 1-parcel lands tripled by then compared to 1980. When the volume of consolidation practices realised in the second half of the decade is taken into consideration, it can be put forward that there has been a significant decrease in the number of parcels since 2006.

**Table 29 Holdings and Agricultural Land by Number of Agricultural Land Parcels (%)**

| **Number of parcels** | **1** | **2** | **3** | **4-5** | **6-9** | **10-15** | **16+** |
|---|---|---|---|---|---|---|---|
| **Holdings** | 10.2 | 13.3 | 13.2 | 21.6 | 21.3 | 13.3 | 7.0 |
| **Agricultural Land** | 3.2 | 6.3 | 7.9 | 16.2 | 21.9 | 21.5 | 22.9 |
| **Source: Derived from** (TURKSTAT, 2006b) | | | | | | | |

The attempt to achieve effective and efficient use of land is not limited to reshaping the lands to be cultivated into the proper size. Another means to this end was the commodification of pasture lands that have been used by farmers as a common property[195], hence making an important source of forage for animal husbandry for generations. As it was already mentioned above, the legal regulations regarding the pastures enabled their being hired and used for non-agricultural purposes, resulting in a shrinkage of the common pastures.[196]

[195] Another commons enclosed and commodified in the 2000s is water basins and the water itself. Hundreds of Hydroelectric Power Plants have been established through urgent expropriations. A powerful opposition arose against HPPs. "No to the Commercialisation of Water Platform", components of which include trade unions, trade associations, environment platforms such as Brotherhood of the Rivers, journals/newspapers, and political parties, has been very actively resisting commodification of water, with the support of local peasants. For details, see www.supolitik.org.

[196] Whereas the total size of pasture lands was 14,616,685 hectares in 2001, between 1998 and 2013 it became 10,145,486 hectares (MFAL, 2015a, p. 19). In the same period, out of the lands that were determined as pastures, 5,760,147 hectares, that is 57%, were delimited; and only 4,715,396 decares were reclaimed, which is 5% of the total determined pastures (MFAL, 2015a, p. 18).

Determination of pastures is itself indicative of the ongoing process of registration, which is the precondition of commodification. The Farmers Registration System has been developed to facilitate this process of registration, as part of the agricultural reform. In 2012, 2,214,537 farmers and 15,345 thousand hectares of land (figure rounded) were registered in the system (MFAL, 2015a, p. 3). As pointed to previously, being registered on the system became the precondition for getting new forms of support. This encouraged participation of farmers in the registration system, even though the process is still challenging for the small farmers. The system enables tracking of the production information on the registered lands and the credentials of the registered farmers. More and more, "inputs" of agricultural production take the commodity form, like the agricultural product itself did; the relations between the peasant and the land becomes increasingly invisible as they both turn into numbers.

That human power is increasingly being replaced by machinery[197], and that agriculture loses its dominance in broad terms, can be observed in the change in employment statistics, shown below. An interesting finding about this is that the share of agricultural employment –even though slightly- increased after financial crises, in 2001 and 2008. This can be explained by the unemployment in cities during recession and resulting remigration of the unemployed to villages for a temporary period of engagement in agriculture (Arslan, 2009, p. 34). Despite this slight recovery after crises, the share of agriculture in total employment declined by more than 12% in this decade. However, it should also be noted that even by the end of the decade, one out of every four people is still employed in agriculture; pointing to the continuing importance of the sector for the Turkish economy.

[197] See section 3.4.

**Table 30 Employment by Economic Activity (%) – 2000s**

| Years | Agriculture | Industry | Service | Years | Agriculture | Industry | Service |
|---|---|---|---|---|---|---|---|
| **2000** | 36.0 | 17.7 | 46.3 | **2006** | 24.0 | 20.9 | 55.1 |
| **2001** | 37.6 | 17.5 | 40.2 | **2007** | 23.5 | 20.8 | 55.7 |
| **2002** | 34.9 | 18.5 | 46.6 | **2008** | 23.7 | 21.0 | 55.4 |
| **2003** | 33.9 | 18.2 | 47.9 | **2009** | 24.6 | 19.2 | 56.2 |
| **2004** | 29.1 | 20.0 | 50.9 | **2010** | 25.2 | 19.9 | 55.0 |
| **2005** | 25.7 | 20.8 | 53.5 | **2011** | 25.5 | 19.5 | 55.0 |
| **Source:** (Oral, 2013, p. 447) | | | | | | | |

It has been argued throughout this chapter that the agricultural restructuring process caused a detachment of farmers from farming. We do not have sufficient statistical data to provide a comprehensive answer to the question of what happened to them after this process. What we can provide is a discussion on the trends and possible scenarios, based on existing limited statistical data and first-hand information derived from some studies[198] carried out in different areas. The former would enable making generalisations from different unique experiences of the transformation process.

There are three relations through which the struggle by agricultural petty commodity producers against the agricultural restructuring process has been shaped; the relation with agricultural production, the relation with the land and the relation with their own labour power. These three relations point to three processes; which in their negative forms are detachment from agricultural production, detachment from land either through dispossession or migration, and detachment from the command over their labour power that is proletarianisation. The small peasant does not necessarily experience all of these processes in their negative forms. For example, they can migrate but continue to engage in agricultural production, or they can be proletarianised without being dispossessed. Penetration of capitalist relations into agriculture goes hand in hand with a change in these relations. Breaking with the classical crude understanding of an inevitable dissolution on the peasantry side as a result of the development of capitalism and focusing on changing relations would

[198] Decreasing interest in agricultural studies brings a limitation on the amount of research based on substantive fieldworks as well.

contribute to a better explanation of the transformation experienced in the countryside. This enables us to comprehend the differentiation dynamics.[199]

The decline in the share of the agricultural sector in total employment was mentioned above, underlining that detachment from agricultural production corresponds to a reality. As seen in the table, that share is transferred mainly to the services sector, rather than industry. Those detached from farming are highly employed in tourism – especially in coastal areas – and construction, which are enlarging sectors in this decade, supporting that transfer (Keyder & Yenal, 2013, pp. 158-159). Also, in industrial subsectors where subcontracting and informal relations are common such as textiles and mining[200], the presence of previous peasants is not inconsiderable. Furthermore, working in non-agricultural sectors is not limited to those who quit farming totally. Supporting the household income with non-agricultural earnings has become a common survival strategy for agricultural petty commodity producers (Aydın, 2001, pp. 23-24; Keyder & Yenal, 2013, pp. 93-94, 157-160; Özuğurlu, 2011, p. 149). It is mainly the men in the household who engage in non-agricultural economic activities. Among the people whose major occupation is agricultural activity; of those without a subsidiary occupation, 52.8% are male, whereas of those with a subsidiary occupation, men constitute 66.2% (TURKSTAT, 2006c). Non-agricultural incomes can be an additional or the only source of income. In both cases, the peasant is detached –either partially or totally- from agricultural production; however, detachment is not limited to these cases, as already discussed in the previous part, as even those who continue to live off agricultural production experience detachment because of the qualitative change in the production process.

It had already been stated above that small peasants quitting agriculture does not automatically create a directly proportional change in property ownership. This is because of the fact that they do not tend to sell their lands (İslamoğlu, et al., 2008; Özuğurlu, 2011), because they either attribute a high level of importance to having a piece of soil in the village or want to keep the land for future use, or because it is too cheap to sell. However, selling the land is not the only way of dispossession. The peasants can be considered as dispossessed when the piece of land they own remains idle, or under charge in return for their debts and hence cannot be sold.[201] Debt has been a medium of dispossession, credits provided by

[199] For an analysis of differentiation dynamics of peasant households, see Özuğurlu (2011).

[200] The explosion in Soma coal mine in Manisa, Turkey in 2014, as a result of which 301 miners died, showed how the process of dissolution of peasantry forced previous tobacco farmers to descend into mines at the expense of their lives.

[201] In addition, as the meaning of land changes in parallel with the transformation of production process, the meaning of possessing the land changes as well. The peasant has ownership of the land but no longer the command over it.

private banks that have replaced Ziraat Bank in this decade and also credit cards led those unable to pay back to give up their lands (Koç, 2014, p. 190), and in this sense constituted a new form of appropriation –impersonal usurer.[202]

**Table 31 Total, Urban and Rural Population by Years (thousand people) – 2000s**

| Years | Total Population | Urban Population | | Rural Population | |
|---|---|---|---|---|---|
| | | Nominal | % | Nominal | % |
| **2000** | 67,420 | 43,647 | 64.7 | 23,773 | 35.3 |
| **2001** | 68,365 | 44,619 | 65.3 | 23,746 | 34.7 |
| **2002** | 69,301 | 45,595 | 65.8 | 23,707 | 34.2 |
| **2003** | 70,231 | 46,575 | 66.3 | 23,656 | 33.7 |
| **2004** | 71,152 | 47,559 | 66.8 | 23,593 | 33.2 |
| **2005** | 72,065 | 48,547 | 67.4 | 23,518 | 32.6 |
| **2006** | 72,974 | 49,541 | 67.9 | 23,433 | 32.1 |
| **2007*** | 70,586 | 49,748 | 70.5 | 20,838 | 29.5 |
| **2008*** | 71,517 | 53,612 | 75.0 | 17,905 | 25.0 |
| **2009*** | 72,561 | 54,807 | 75.5 | 17,754 | 24.5 |
| **2010*** | 73,723 | 56,222 | 76.3 | 17,501 | 23.7 |
| ***Figures derived from Address-based Population Registration System**<br>**Source:** (Oral, 2013, p. 446) | | | | | |

Besides dispossession, migration is also a way of detachment from land. As seen in the table above, the share of rural population in total population was 35.3% in the beginning of this decade; it decreased to 23.7% by the end of it. Peasants who can no longer live off agriculture migrated to cities (Keskin & Yaman, 2013, pp. 496-497). Unlike the 1990s, when forceful migration of Kurdish peasants meant migration of families altogether, in this decade it was rather younger members of households who went to cities to find jobs either temporarily or continuously, whereas older ones stayed in the village. In addition, as a consequence of the decreasing employment opportunities in metropoles, smaller cities have become more popular destinations among the youth of the countryside. Yet, the enlarging construction sector provided a new space of vacuum in metropoles beginning from the second half of the decade.[203]

[202] That merchants and usurers had been traditional appropriators of the agricultural surplus in Turkish context was mentioned in previous chapters.

[203] At this point, it should be noted that JDP developed a project called "Return to Village" in 2016. This provides young farmers under the age of 35 with a grant of 30 thousand TL, for various sub-areas of agricultural

**Table 32 Employment Status (thousand & %)**

| | Years | Self Employed | | Unpaid Family Worker | | Waged/ Salaried | | Total |
|---|---|---|---|---|---|---|---|---|
| | | Nominal | % | Nominal | % | Nominal | % | |
| **Countryside** | **2000** | 3,612 | 34 | 4,178 | 40 | 2,484 | 24 | 10,477 |
| | **2011** | 2,761 | 32 | 2,761 | 32 | 2,866 | 33 | 8,603 |
| **Turkey** | **2000** | 5,325 | 25 | 4,659 | 22 | 10,488 | 49 | 21,581 |
| | **2011** | 4,687 | 19 | 3,303 | 14 | 14,876 | 62 | 24,110 |

**Source: Derived from** (TURKSTAT, 2018)**.** The data is obtained and compiled by the author using the interactive dynamic search feature of TURKSTAT website by selecting the relevant variables from the dropdown menus.

Lastly, small peasants have been detached from the command over their own labour power. Those peasants who left agriculture and their villages had to sell their labour power and turned into workers in non-agricultural sectors in cities in order to maintain their or their household's subsistence. The change in the share of waged workers in total employment in Turkey, seen in the employment status table above, underlines this process. However, proletarianisation of peasantry is not limited to this process. Beyond that, wage relation increasingly penetrated into rural areas and specifically into agricultural production process in this decade. Petty commodity producers are characterised by having ownership of a small plot of land, working on this land on their own accounts, mostly for their subsistence and resorting to family labour, mostly unpaid. As shown in the table, the amount of self-employed and unpaid family labour has declined not only proportionally but also nominally. This meant that petty commodity production has lost its dominance in the Turkish countryside. Use of –especially temporary/seasonal- waged labour in farming is not a new invention of course, but the change in this decade is dramatic. Whereas waged/salaried workers constituted 24% of total employment in the countryside in 2000, it was 33% in 2011. Whereas in the beginning of this decade, the amount of waged workers[204] were a little more than half of unpaid family workers, it surpassed the latter by the end of the decade.

production and livestock raising. The new areas defined within the scope of the project, like organic or good farming or greenhouse growing, reflect the new form of farming after the transformation process. In addition, the need to promote a process of return to villages underlines how rural areas had become vacant, on the one hand, and the youth unemployment in urban areas, on the other.

[204] Casual workers are included in this category.

Concerning the fact that seasonal workers are working generally informally, solid data is not available (Yıldırım, 2015, p. 228) but proliferation of wage relations in agriculture has also been supported by the findings of various studies (Çınar, 2014; İslamoğlu, et al., 2008; Özuğurlu, 2011; Ulukan, 2009).

## 4. Conclusion

The twin crises of 2000-01 that opened the decade covered in this chapter underlined the need for a new form of governance, since the political instability which marked the 1990s was blamed for the financial crises. In the previous decade, IMF prescribed policies had been started but failed to be effectively implemented, because of the absence of a powerful political will. JDP came to power in this environment as a response to that absence. Within the framework of accession to the EU process and IMF surveillance, JDP continued to implement neoliberal policies and pursue structural reforms including the tightening of public expenditures, privatisations, depoliticisation of economic management, and agricultural restructuring. On the other hand, Turkey witnessed an increasingly authoritarian state under successive JDP governments, where the power of executive relative to that of the legislative increased continuously; which further facilitated pursuance of the neoliberal policies, underlining the necessary co-existence of free economy and strong state.

Changing place of the agricultural sector in economy as a whole and the internal restructuring that brought about dissolution of small farmers were the consequences of the market-enforcing policies pursued beginning from 1980. In this decade, these policies, which show continuity with the previous two decades in their content, have been more swiftly and effectively implemented. The crisis opening up the decade had a facilitating role in this. Rationality and efficiency have become the concepts around which the restructuring processes are shaped, with high involvement of international institutions in order to avoid further crises. Agriculture had been considered as a burden on the state budget, as a politicised and inefficient sector. Therefore, the agricultural reform package targeted its depoliticisation, removing political involvement by the state and achieving marketisation. Accordingly, elimination of state support mechanisms that were regarded as distorting effective functioning of the market was the main component of the restructuring process. The DIS system replaced the production-based subsidies such as purchasing guarantee, input and price supports; and the amount of total supports decreased significantly in this decade.

Privatisation of SEEs in fertiliser, equipment and tobacco industries was completed, that of sugar is ongoing, and the remaining ones lost their function. Through the establishment of IRAs, economic management of tobacco and sugar sectors was depoliticised. In addition, ASCUs were commercialised.

To reiterate, the agricultural restructuring process was intensified and institutionalised in this decade, and this was possible through the enactment of a series of laws and regulations; which in turn was possible thanks to the politically stable environment and existence of strong one-party governments. These laws regulated a wide range of topics including ASCUs and APAs, sugar and tobacco markets, warehousing and market halls, agricultural insurances, breeder's rights, organic farming and biosafety, land use and consolidation, and seed industry. Apart from the laws on these specific topics, a broad and comprehensive law on agriculture was made as well. The laws and regulations gave the ongoing restructuring a legal ground and an impetus for further restructuring.

The policies and the corresponding legal regulations caused changes in the production process, property relations and social composition in the countryside. The cases of tobacco and sugar exemplified the transformation of production process in line with the so-called retreat of the state and the change of product type as a result of the specific policies targeting the markets of these two products. Not only the amount of production of tobacco and sugar beet and that of the lands on which these two crops were cultivated decreased, but also a lot of producers left production in the absence of state supports. The shift away from the traditional crops created also a qualitative change in the production process in terms of use of labour, size of peasants involved, and their command over the process. Increasing engagement of multinational private companies, and relative weakness of the unorganised peasantry concerning their bargaining power in the contracts they sign in the absence of an arbitrating state, led to a significant process of dissolution on the side of small peasants. Certification and standardisation of agricultural products and of the production process itself contributed to the separation of the farmer from both the product and the process. Commodification of seed and transformation of seed production broke the power of farmers to break the circuit of capital that had been coming for ages from the reproducibility of the seed.

Land has been increasingly commodified in this decade. In line with the attempt to achieve a level of rationality concerning the use of land; the agricultural lands were opened up for non-agricultural use, whereas pastures were enclosed, and fragmented lands were consolidated. Also, the production process has become less labour-intensive thanks to the

improvement of machinery. As a consequence of all of these processes the small peasants have increasingly been detached from agricultural production, from land, from their reproduction, and from the command over their labour power. Petty commodity production, that had characterised Turkish agriculture for a long period of time, lost its dominance; since possessing and commanding land even if it is of a small size, subsistence farming, and use of family labour left their places to increasing penetration of capitalist relations in rural Turkey. Changing relations between the farmer and production and reproduction processes, the land, and their own labour power, in parallel with deepening of capitalist relations can best be comprehended by the concept of primitive accumulation. The next chapter will once again underline the explanatory power of the concept by bringing together the theoretical framework developed in the second chapter of this work and the case at hand.

# CHAPTER VIII: CONCLUSION

## 1. Introduction

The thesis argued that the 1980s constituted a significant period in Turkish political economy, since the market-oriented framework, within which the agricultural transformation took place, was established then. The transition to an export-oriented growth model and the parallel restructuring of the state-market relations at the broader level, through the policies of liberalisation, privatisation, deregulation, resulted in the enforcement of market principles. In the 1990s, financialisation added a new dimension to this framework, by making the economy increasingly fragile and also becoming a disciplining force for the masses, who already suffered from the new policies. Following a politically and economically unstable decade, the 2000s brought about a strong government that further facilitated marketisation by effectively governing through the market; and thereby accelerated, deepened and institutionalised the agricultural restructuring process in this period. In this study, it is suggested that this process that ended in a shift away from agriculture entailed commodification of the land, the reproduction and the labour power of the peasantry; and hence created a significant change in the rural social relations in Turkey. How the agricultural restructuring actually meant the separation of the masses from their means of existence and in this sense, contributed into the constitution of the capital-relation, beyond being a mere consequence of either the long-term modernisation or the short-term neoliberalism; and how the means and mechanisms used by the state especially in 2000s enabled the commodification at all three dimensions have been ignored in the existing empirical literature.

This chapter reasserts the link between the analysed case and the conceptual tools used in this study. Firstly, it underlines the relevance of the concept of uneven and combined development, which helped in describing the process of agricultural restructuring. Then, it looks into the category of petty commodity producers in the Turkish context and specifically to the question of whether the small peasantry persists or dissolves, which has been a perpetual one throughout the history of capitalist development. Following that, the arguments concerning the changing role of the state in the post-1980 period and also the uniqueness of

the 2000s in agricultural restructuring are reemphasised. Finally, the conclusions regarding the three-dimensional commodification process, which as a whole point to a process of primitive accumulation, are underlined. The chapter then concludes by emphasising its contribution and giving suggestions for further studies.

## 2. Uneven and Combined Development of Capitalism

The concept of uneven and combined development refers to two general laws of capitalist development; first, it is unequal in terms of the levels of development achieved in different countries, and secondly, archaic and contemporary forms co-exist where capitalist development takes place (Trotsky, 1959, p. 4).[205] The first component of the concept, unevenness, points to two facts concerning the case analysed in this work. Firstly, being a developing country, Turkey is positioned among the late developers within the capitalist world and its integration with the world economy is determined by this very position. Secondly, the agricultural sector within the Turkish economy is itself a developing sector, determining its place in not only the national economy but also in the international food and agriculture market. Therefore, the backwardness of Turkish agriculture is based upon both Turkey's place relative to developed countries in the capitalist world and its relative place among different sectors within the Turkish economy; rather than the backwardness of the agricultural structures. The question of why agricultural reform has been postponed for decades can be addressed through reconsideration of the fact that Turkey was lagging behind as a country and that transformation of agriculture had to follow other sectors in the Turkish economy.

Unevenness of capitalist development had been the major departure point within the development literature, which had been discussed in the theoretical framework chapter. Depending on their level of development, different countries are integrated with the capitalist world economy at varying degrees and this in turn determines that very level of development. Underdevelopment is associated with the fact that developed countries are developed, as suggested by the dependency school in its criticism of the modernisation theory; according to this view, it is capitalist development itself which is responsible for underdevelopment rather

[205] Trotsky uses the term in his analysis of the Russian Revolution in order to emphasise that different countries do not follow the same route; on the contrary, backwardness can provide an advantage for those backward countries to make leaps forward by "assimilate[ing] the material and intellectual conquests by advanced countries" and thus skipping the intermediate steps in the development journey (Trotsky, 1959, pp. 2-3).

than internal failure of underdeveloped countries (Frank, 1970). Similarly, world system analysis underlines the hierarchy and the exploitative relation in line with this hierarchy among the countries of world capitalism, classified as core, semi-periphery and periphery (Wallerstein, 2011). Derived from the world system analysis, as well as from the French regulation school[206], the concept of food regime and the following literature has carried the emphasis on the unevenness among countries to the area of agro-food systems; that is, the structure of food production and consumption at the world scale (Friedmann & McMichael, 1989). According to this literature, each food regime reflects the power relations of the period it covers and the accordingly redefined international division of labour within the agro-food systems.[207]

The period within which neoliberal policies have been implemented is classified by McMichael in reference to a corporate –third- food regime, beginning from the URAA of GATT (2005). As the name implies, the power relations of this regime involves the dominance of transnational agro-food corporations; "agro-industrialization is being rapidly globalized through the mobility of financial capital, and its ability to rapidly concentrate, centralize, and coordinate global agribusiness operations" (McMichael, 2005, pp. 292-293). The corporate food regime is characterised by the privatisation of food security; that is, a shift from the nation-state to world market through which the determination of commodity prices on the world scale "empowers agribusiness", whereas it "disempowers farmers" (McMichael, 2005, pp. 281, 282). In line with the general trend in increasing penetration of transnational agro-food companies in peripheral countries, in Turkey, there has been a significant increase in the investments by foreign-capital companies (including partnerships) in the 1990s; their number increased from 32 to 65 in agriculture, from 38 to 169 in food processing and from 8 to 198 in catering between 1987 and 1998 (Yenal, 2013, p. 117). Further increase of FDI in the agricultural sector in general in the 2000s, the value of which reached to $81 million in

[206] The effect of the regulation school on the food regime concept can be found in the idea that each food regime corresponds to and articulates with different periods of capital accumulation "through a stable set of relationships"; and that the crises of the food regimes lead to transformation and are resolved through emergence of a new regime (McMichael, 2009, p. 144).

[207] "The first food regime (1870-1930s) combined colonial tropical imports to Europe with basic grains and livestock imports from settler colonies, provisioning emerging European industrial classes, and underwriting the British 'workshop of the world'. […] The second food regime (1950s-1970s) re-routed flows of (surplus) food from the United States to its informal empire of postcolonial states on strategic perimeters of the Cold War. Food aid subsidised wages, encouraging selective Third World industrialisation, and securing loyalty against communism and to imperial markets. 'Development states' internalised the model of national agro-industrialisation, adopting Green Revolution technologies, and instituting land reform to dampen peasant unrest and extend market relations into the countryside" (McMichael, 2009, p. 141). It had been discussed in the historical background chapter that the Marshall Plan, implemented in the Cold War environment in order to contain Soviet socialism, mediated mechanisation in Turkish agriculture.

2010 (CBRT, 2015), gives an idea of the further increase in the penetration of TNCs into Turkish agriculture. The level of technological development, reflected in the intellectual property investments by TNCs and the emphasis on innovation, enabled them to take over "established companies with a significant domestic market share" (Yenal, 1999, p. 24).

As already discussed in the previous chapters, liberalisation of food imports in line with the shift from "public interest in producing use-values for domestic provisioning, to private/public encouragement of producing exchange-values to expand profits and export revenues", besides agribusiness investment (McMichael, 2005, p. 284), was reflected in the Turkish context. This pointed to the changing place of Turkey in the new international division of labour, within which peripheral countries are specialised in the export of high-value products such as fruits and vegetables, thanks to cheap agricultural labour, whereas core countries are specialised in low-value products such as cereals (Yenal, 1999, p. 22). Turkish farmers were forced to produce high-value foods, as a consequence of the fact that "liberalisation policies have gradually eroded the viability of family farming specialising in traditional crops such as cereals, tobacco and sugar beet" (Aydın, 2010, p. 152). The uneven character of the new food regime is not limited to the international division of labour; beyond that, it was reflected in the implementation of the same policies in different countries with varying levels of development. De-coupling or reduction of support mechanisms, which is also among the instruments of the shift mentioned above (McMichael, 2005, p. 284), exemplifies this. Despite the argument that they created a burden on the fiscal budget, the ratio of the share of agricultural supports to that of agricultural value added in GNP has been very low in Turkey - 6% in 2000, compared to around 100% in advanced countries (Oyan, 2002, p. 63). To sum up, unevenness has shaped the process, within which Turkish agriculture was restructured. Finding out whether the second component of the concept of uneven and combined development - that capitalism co-exists and clashes with non-capitalist categories in the places it develops - applies to the Turkish case necessitates a brief discussion on petty commodity production.

## 3. Petty Commodity Production

Combined development refers to the co-existence of capitalist and non-capitalist, advanced and backward forms of production during the phase of transition to capitalism (Trotsky, 1959, pp. 4-5). The key dynamics of capitalist development, that is, the inner tendency

towards crisis and the relentless search for higher profits, alongside the uneven and combined development, underlines the expansionist character of capitalism; and its inevitable encounter with other social relations of production existent in the places into which capitalism expands (Bieler, 2013, pp. 171-174, 176). This points not only to the dependency of capitalism on non-capitalist areas in order to overcome its crisis (Luxemburg, 2004, p. 345), but also to the clash between capitalist and non-capitalist social relations as a consequence of that encounter. However, this encounter is not limited to the encounter between capitalist and not-yet capitalist countries - it may be experienced within an advanced capitalist country between those spaces where capitalist relations are dominant and those where they are not (Harvey, 2004, p. 141); therefore, combined development is not limited to the transition phase; on the contrary, it is a continuous feature of capitalist development. The co-existence and the clash brought about by the combined character of capitalist development leads to the emergence of categories with unclear class positions like petty commodity producers.

Agricultural petty commodity producer involves a contradictory class position, to the extent that it combines in its character the class positions of both capital and labour; as the owner of both the means of production, the land, and the labour power (Bernstein, 2010, p. 103). Petty commodity producers do produce for the market, as the term commodity connotes; in this sense, what they produce is a commodity to be sold and bought in the market. However, they are also able to produce non-commodities thanks to their contradictory class position. Engaging in subsistence farming[208] or reserving some of the products for household consumption is a characteristic of petty commodity producers. Beyond combining class positions of capital and labour, the fact that the labour power of petty commodity producers is not a commodity, although what they produce is, contributes to their contradictory position; since commodification of labour power is the distinctive feature of capitalism, whereas use of unpaid family labour is another characteristic of petty commodity producers. In short, ownership of the land, resorting to own labour, subsistence farming and being able to maintain daily reproduction with less dependence on the market define petty commodity producers.

It has been asserted that petty commodity production has been pretty common in Turkish agriculture. The relationship between capitalism and agriculture, and thus petty commodity production, was once a hotly debated topic in Turkish academia, particularly

[208] Internalisation of commodification practices by petty commodity producers, as a consequence of the integration with capitalist relations of production, leads them to supplement subsistence farming with wages (Bernstein, 2010, p. 104).

within Marxist circles, as part of the debate on revolutionary strategies. Boratav and Erdost, for instance, differed in their views on the dominant mode of production in Turkey, and consequently on by whom petty commodity producers are exploited, but they agree on the commonality of petty commodity production.[209] After 1980, the decreasing academic interest in agriculture (Özuğurlu, 2011, p. 72), and decreasing place of petty commodity producers in recent studies (p. 48) posed a limitation for understanding the changing position of petty commodity production. The fact that petty commodity production remained to characterise peasantry despite development of capitalist relations contributed to the analyses of persistence; although the focus increasingly shifted to "retreat of the state", "liquidation of agriculture" and "dissolution of peasantry" in post-1980 literature (Aydın, 2010; Günaydın, 2010; Oyan, 2002). Ecevit and his colleagues explain persistence of agricultural petty commodity producers with reference to de-valorisation of household labour[210]; which constitute at the same time a mechanism that deepens their subjugation to capital (Özuğurlu, 2011, p. 73). This paradoxical situation is associated with underdevelopment, underlining the actuality of uneven and combined development beyond the transition phase. According to Ecevit et al. (2009), petty commodity producers get involved in commodity relations in various ways and experience differentiation in this sense (ibid). Again, empirical knowledge is very limited in terms of peasant differentiation in current Turkey. There has been a revival in the academic interest in the topic of agricultural restructuring in late 2000s; however, the term petty commodity production is ignored in the recent studies, as their focus shifted away from capitalism itself. Özuğurlu's work (2011) is a significant contribution in this area, overcoming the dissolution vs persistence dichotomy and revealing strong clues about differentiation dynamics of peasantry.[211] Petty commodity producer households differentiate into three categories, namely traditional small peasants, traditional petty commodity producers and new petty commodity producers (Özuğurlu, 2011, p. 91). The first one differs in holding size as they operate smaller lands. Whereas the second one might employ workers, especially as the holding size gets bigger, this is very low in the third one; however, both become workers themselves in either agricultural or non-agricultural sectors for the third category, in mainly non-agricultural sector for the second one (Özuğurlu, 2011, pp. 98-101).

[209] Similarly, although they have opposing views on conditions of small peasantry, as discussed previously, Keyder and Köymen also agree on the commonality of small peasantry in rural Turkey (Keyder, 1993; Köymen, 2008).
[210] Self-exploitation has characterised petty commodity producers, as had been suggested by Chayanov.
[211] Differentiated peasant households are classified in this work as surplus population, village-based proletarian, traditional small peasant, traditional petty commodity producer, new petty commodity producer, traditional capitalist farmer and enterpreneural farmer households (Özuğurlu, 2011, p. 91).

This shows that settlement of wage relation does not necessarily require dissolution of petty commodity producers. On the other hand, the three dimensional commodification hints at an inevitable dissolution of petty commodity producers in the near future, as it increasingly pushes the limits of differentiation. In the end, all characteristics of petty commodity producers, owning a piece of land, engaging in subsistence farming, and resorting to unpaid labour, are all blockaded by the commodification of land, reproduction and labour power of the peasantry.

Following mechanisation of agriculture and the migration and proletarianisation wave in the 1950s, the period between 1960 and 1980 had witnessed a strengthening of petty commodity producers; and this was mainly due to active state involvement in agricultural production and marketing processes (Teoman, 2001, p. 45). In other words, populist policies towards agriculture had contributed, in this period, to the persistence of petty commodity producers (Boratav, 2010a, p. 125). This last point about the role of the state in agricultural restructuring needs elaboration, which will be done in the next part.

## 4. Changing Role of the State

It was already suggested above that the agricultural restructuring process mainly entailed a change in state-market relations. Whereas the state used to be the guarantor of subsistence for the small peasantry for a long period of time, the fact that it no longer actively engages in production and marketing processes, and that it no longer provides the peasantry with the previous support mechanisms, creates the false impression that the state has retreated from agriculture. However, can we really talk of a retreating state, while it is still the state that enables the enforcement of market forces through legal regulations, if not through market regulation which was transferred to assumedly non-political technocrats? If the changing role of the state is that crucial in comparing pre-1980 and post-1980 agricultural structures, does the understanding of a retreating state suffice to help in explaining that crucial component?

To begin with, it should be kept in mind that, for the capitalist state, it makes little sense from the point of view of critical political economy to define the state through its relationship to the market, as if they constitute two distinct entities which are external to each other. Under capitalism, state and economy are already internally related; neither has an independent reality, rendering “the perennial question” of “whether the market has autonomy

vis-à-vis the state or conversely whether the state has autonomy vis-à-vis the market, characterizing its retreat or resurgence as a power vis-à-vis the economic" groundless (Bonefeld, 2014, pp. 182-183). The fact that the retreat of the state from agriculture[212], as a characteristic of the post-1980 period, has been taken for granted even within the critical literature on Turkish agriculture reproduces that very groundless question.

That the state and market appear in a dichotomous relation stems from the separation of the political and economic spheres under capitalism. Capitalism differs from pre-capitalist forms in that the contractual relationship between free and equal individuals replaces that of dependence or servitude (Wood, 1995, p. 29). The 'moment of coercion' and the 'moment of appropriation' are separated in capitalism; whereas the state exerts coercion, surplus appropriation and exploitation takes place through the economic mechanism of commodity exchange (Wood, 1995, pp. 30, 28).[213] However, despite this appearance, the state remains internally related with the market and essential for these processes, since "[a]bsolute private property, the contractual relation that binds producer to appropriator, the process of commodity exchange - all these require the legal forms, the coercive apparatus, the policing functions of the state" (Wood, 1995, p. 30). Contributing to the reproduction of the apparent differentiation of the economic and the political, depoliticisation, "the process of placing at one remove the political character of decision-making", has been used as a governing strategy (Burnham, 2014, p. 195).[214] Depoliticisation of the economic management in the post-1980 period contributes to the reproduction of this separation. While the state continues to be internally related with the economy, its separate appearance, which is reproduced through technocratisation of economic policy-making, diverts the potential political resistance. Shifting responsibility enables the placement of key policy areas "beyond direct political contestation", as Burnham puts it, whilst the law of value is re-established by the state managers themselves (p. 196). The more the economy, alongside with society, is depoliticised, the easier the marketisation process, with its highly political content, is to pursue.

[212] It has become of common usage in Turkey that "the state kept its hands off agriculture". It is either welcomed by the proponents of neoliberal policies as being a move towards rescuing the market from political pressures or criticised by social democrats as being a move away from the *social* state. In the colloquial language of peasants, this turns into "the state left / abandoned us"; denoting a further step into personification of the state.

[213] Wood summarises the separation of the economic sphere as follows: "the social functions of production and distribution, surplus extraction and appropriation, and the allocation of social labour are, so to speak, privatized and they are achieved by non-authoritative, non-political means" (Wood, 1995, p. 29).

[214] On how the politicisation/depoliticisation dynamic at the more abstract level and as applied to governing and crisis relate through the debate on the state within CSE, see Burnham (2014, pp. 193-194).

In the Turkish context, depoliticisation has been used both as a discourse and as a governing strategy "to bring to an end the domination of political rationality over economic rationality" (Yalman & Bedirhanoğlu, 2010, p. 115). The proliferation of depoliticisation practices at the broad level found its reflection in the agricultural sector as well. The discourse that the agricultural sector was highly "politicised" was dominant prior to the restructuring process. In the documents of international institutions which shaped the process, and in the state development plans alike, state intervention was blamed for the lack of necessary development. The ARIP launched by the World Bank clearly defines its first objective as "to reintroduce the rudiments of economic rationality to the sector" (WB, 2009, p. 1). State support mechanisms were said to create a burden on the fiscal budget; minimum prices set by the state which were above the world crop prices and support purchases by the state were responsible for the oversupply problem; and ASCUs and SEEs employed an unnecessarily high number of personnel with politically inflated wages/salaries. State intervention distorted proper functioning of the market, and constituted an impediment to the achievement of efficiency and effectiveness. Withdrawal of the state from agricultural production and marketing would solve these problems; market regulation on objective and technical criteria would enable free functioning of the market by rescuing it from the political pressures. In a sense, the pendulum would swing away from the latter in the "dilemma between economic efficiency and political legitimacy" that had prevented earlier completion of the agricultural restructuring process (Aydın, 2010, p. 156).

Privatisation of agricultural state economic enterprises, through which the state monopolies left their place to private actors and multinational agro-food companies, was the first step in depoliticisation practices in agriculture. Change of the agricultural support system that involved elimination of previous state supports and their replacement by the decoupled direct income support was the second step. Commercialisation of agricultural sales cooperatives and their unions was the third step; in parallel, the shift from the state-owned agricultural bank to private banks in terms of providing credits to farmers depoliticised that area too. Establishment of independent regulatory agencies in tobacco and sugar markets, through which regulation process and responsibility is transferred to technocrats, was the fourth step. All of the reform policies pursued in the 2000s redefined the apparent boundary between the state and the market in favour of the latter. In line with the state's ceasing to actively engage in production, contract farming contributed to depoliticisation, as the terms of

production are defined based on economic calculations between the so-called equal parties[215], rather than political pressures. Furthermore, that the agricultural production process has been certified and standardised underlines the shift towards so-called objectivity.

On the other hand, implementation of depoliticisation of economic management in agriculture was possible thanks to active government involvement. This is in contradiction with the idea of a retreating state. The state that is itself restructured in a depoliticised way[216] is not a retreating or a weak state but, on the contrary, a strong one. In spite of the argument of the market distorting -thus to be left aside- state, and of the apparent state-market dichotomy; "not only does the free market require the strong, market-facilitating state, but it is also dependent on the state as the coercive force of that freedom", expressing the inner relation between the political and the economic (Bonefeld, 2010, p. 17; Burnham, 2000). The state must be strong enough to step back for the effective functioning of the market. It was not a coincidence that the stabilisation programme of 1980 that marked the beginning of the implementation of neoliberal policies in Turkey came along with a military coup. And it was also no coincidence that intensification and institutionalisation of the process of neoliberal transformation of agriculture was realised under authoritarian JDP governments in the 2000s.

The first decade of the 2000s is similar to the 1980s and different from the 1990s in terms of the strength of the executive; whereas the 1990s witnessed coalition governments, MP and JDP formed successive one-party governments in the 1980s and 2000s respectively. The 1990s, when coalition governments accompanied successive financial crises, constituted an era of interregnum as it were. However, it should be noted that crises also facilitated the imposition of reforms through the involvement of international financial institutions, as each funding came together with conditionalities towards further opening up of the market. Yet, meeting the requirements of reform projects necessitated political stability. To the extent that populist policies played a significant role between 1960 and 1980 concerning the persistence of the agricultural structure, mainly that of petty commodity producers; establishment of political stability emerged as a precondition for the move toward elimination of those policies. The state had been existent as an active agent in peasantry's daily lives until the 1980s; personified in SEEs and ASCUs providing input and credit in the beginning and purchasing the output at the end of the production process; and its current absence, expressed

[215] "Even on this assumption, the codification of the relationship between capitalist and labourer as equal and free citizens is contradicted by the content of the exchange [… the labour contract] connects equality with exploitation", as Bonefeld puts it (2010, p. 21).

[216] The Board of Agricultural Restructuring and Support that was established to conduct agricultural policies, to restructure the agricultural support system and to carry out the work for developing an agricultural database, shows how the state is itself restructured to depoliticise the regulation of agricultural restructuring process.

by the peasantry as “the state left / abandoned us”, presupposed being strong enough to be able to break up that long-lasting relationship.

Suggesting that the 2000s under successive Erdoğan governments constituted a peculiar period regarding the agricultural restructuring does not necessarily mean that it was Erdoğan’s personal invention or ambition that caused the restructuring process. The historical reading of the course of capitalist development in Turkey, provided in this study, has shown that. Beginning from the second half of the 1990s the path for the agricultural restructuring was already determined; the URAA signed with the GATT in 1994 set its framework, the letter of intent signed with the IMF in 1999 underlined the commitment of Turkey within that framework and the ARIP started by the WB in 2001 concretised it. The sugar law was among the famous ‘15 laws in 15 days’ introduced by Derviş, who was appointed as the Minister of Economy of the coalition government following the 2000-01 crisis. Interestingly, while in opposition, the MPs who would later take part in JDP were against those policies, as seen during the enactment of the tobacco law. However, once in power after 2002, JDP took over the process and not only maintained it but also took it forward.

The pace and the volume of the implementation of neoliberal policies in agriculture by JPD governments in the 2000s is striking when compared with previous decades. Looking into the laws and regulations made in this period shows how aggressive JDP has become in a process it used to oppose. The laws enacted in the first decade of the 2000s regulated a wide range of topics including agricultural sales cooperatives and their unions and agricultural producer associations, sugar and tobacco markets, warehousing and market halls, agricultural insurances, breeder’s rights, organic farming and biosafety, land use and consolidation, and seed industry. In addition to the laws on these specific topics, a broad and comprehensive law on agriculture was made as well. These gave the process of neoliberal transformation of agriculture a legal ground and an impetus for further implementation, and therefore intensified and institutionalised that already ongoing process. What enabled their enactment and enforcement was the politically stable environment and existence of a strong one-party government. In this sense, it can be concluded that authoritarian governments under the leadership of Erdoğan contributed to the completion of a process, which had been necessitated by the capitalist development.

Recently, Mehdi Eker, who was the Minister of Agriculture[217] between 2005 and 2015, published his book on transformation of Turkish agriculture. Being not only the minister –and an employee of the ministry- for that long, but also among those preparing the party programme when JDP was founded in 2001, Eker can be considered as representing the official view of JDP on agricultural transformation. Interestingly, he argues that previous governments in Turkey caused dissolution and proletarianisation of peasantry, up until JDP's coming to power; (Eker, 2015, p. 117). He puts forward that what differentiates the *New Turkey*[218] from the *Old Turkey* in terms of agricultural policies is the involvement of politics / the state for the first time in Turkish history, which enabled the development of agriculture following 2002 (Eker, 2015, pp. 107-108). Whereas in the old Turkey, there was no "politics of agriculture", JDP governments made a substantial political investment in transforming agriculture, concretised in the series of laws and regulations made in this period. In this sense, JDP rule entails a rupture that supports in a way the argument of this study that this decade has been unique. However, we argue that it shows continuity in terms of deepening of capitalist relations in agriculture. Eker opposes this. He claims that, while the old Turkey witnessed processes of dissolution and proletarianisation of peasantry, in new Turkey, peasants turned into productive individuals, "creating surplus value for the market" (Eker, 2015, p. 116). Whereas he uses the terms dissolution and proletarianisation in a pejorative sense, he phrases turning into productive individuals who create surplus-value as if it is in contrast with peasant dissolution and proletarianisation and celebrates the latter. These point to the exactly same processes, however they are called. In other words, it is clear that the consequences of the analysed process for Turkish peasantry is not only admitted but also celebrated by the official view. Furthermore, the significance of the state in completing the process is acknowledged by its enforcers, despite the continuous emphasis on depoliticisation throughout the course of agricultural restructuring.

## 5. Primitive Accumulation in Agriculture

Moving from the last point made by Eker, that of peasants turning into surplus-value creating individuals, I will reassert that the agricultural restructuring process underlined the deepening

[217] Minister of Agriculture and Rural Affairs until 2011, when the name of the ministry changed, and Minister of Food, Agriculture and Livestock until 2015. He also worked as the head of Sub-Comission of Agriculture, Forest and Rural Affairs in TGNA (Eker, 2015).
[218] The New Turkey is a concept used by JDP to define the restructured Turkey under Erdoğan rule.

and strengthening of capitalist relations in rural Turkey. It entailed a three-dimensional commodification process for the peasantry –commodification of land, of reproduction and of labour power. While none of these commenced in the last decade, that they were at an unprecedented level necessitated a specific analysis of this period. Therefore, this is not an analysis of transition to capitalism, rather that of the constitution of capitalism in Turkey.[219]

Firstly, land has been commodified. The legal recognition of private ownership of land dates back to the 1858 Land Code. That the land has become something privately owned, sold and bought on the market is not a development of the analysed period; however, its use value had remained dominant previously. Agricultural land as commodity, increasingly pulled out of its use value, has been a very recent phenomenon in the Turkish context. The emphasis made upon economic rationality contributed to this. Fragmented lands were consolidated to achieve the rational, economically viable land size. Agricultural lands were opened to non-agricultural use, to investments by non-agricultural sectors. Pasture lands and water basins, which had been commons for a long period of time, were enclosed. Use of the land in a way that would generate higher profits became determining in line with the emphasis on rationality.

Secondly, daily reproduction of peasants has been commodified. Whereas subsistence farming had characterised small peasants previously, it became increasingly less viable. The fact that peasants lost their command over the agricultural production process, through certification and standardisation processes, and through commodification of the seed and seed production rendering peasants unable to resort to their power coming from the production process to break the circuit of capital by reserving some of the product for their own consumption, underlined their increasing dependence on the market in order to maintain their subsistence. In addition, increasing dependence of peasants on credits and resulting indebtedness subjected them to market relations, on the one hand; and contributed to their dispossession as they had to sacrifice ownership of the means of agricultural production, the land, to their debts, on the other.

Thirdly, labour power of peasants has been commodified. Detachment from agricultural production in the absence of state support mechanisms led previous farmers to work in non-agricultural sectors. Not only dispossession and migration to cities brought about proletarianisation of peasants, but also wage relation was deepened in the rural context;

[219] This refers to the distinction between transition to and origin of capitalism that had been clarified in Chapter 2. Constitution of capitalism is an ongoing process, within which its origin needs continuous reproduction, unlike the idea of transition that points to a once and for all process.

thereby creating the ways through which peasants became workers also without being dispossessed or migrating. In other words, rather than a linear relation from peasants to proletariat, further penetration of the contract relation into rural areas resulted in peasant differentiation with varying degrees of integration with commodity relations. Dominance of the use of unpaid family labour that had characterised small farmers was broken by deepening wage relation.

The three-dimensional commodification entailed in the agricultural restructuring process showed how the idea of the "war on waste" was internalised by the proponents and managers of the process (Neocleous, 2011). Phrased by Neocleous, the war on waste refers to the violent process of primitive accumulation; enclosing the land and making use of the labour power of the people, who will be freed by enclosure, thereby improving the otherwise wasted resources. He states that "in bourgeois thought the most significant 'waste' of modernity is the uncultivated land and idle labor that the commons represents" (Neocleous, 2011, p. 508). The war against commons, therefore, is a just one in bourgeois thought. Commons do not generate profit. What justified the commodification of land in the Turkish context as well was this very idea. Moreover, what would be wasted if the land was not enclosed and improved is not only the land itself, but also the labouring power of the masses living off that land. "To leave people idle was to leave them to 'waste'… Wasted land, wasted labor and wasted time went hand in hand" (Neocleous, 2011, p. 514). As they turn into wage labourers, masses are considered as gains for the capitalist society, because they produce -and they create surplus value, as Eker underlines- instead of creating disorder. The three-dimensional commodification is therefore the effect of the long-lasting modernisation process. Both the land and the peasant are modernised in the sense that they generate profit, rather than being wasted. To reiterate, being rescued from being wasted means a divorce, for the masses, from their means of existence; in other words, primitive accumulation. Primitive accumulation through which the capital-relation is constituted separates the Turkish peasants from their means of existence.

## 6. Concluding Remarks

This study analysed the agricultural restructuring process in post-1980 Turkey. Its objective was to make sense of this process by focusing on the changes in the rural social relations. First of all, it showed the volume and the extent of the transformation and established that

Turkish agriculture experienced a huge transformation in the analysed period. In addition, it portrayed that this transformation is in parallel with the long-lasting modernisation of the country as it pointed to a shift away from agriculture in general, on the one hand; and is a part of the marketisation process experienced at the broader level in the post-1980 period, on the other. Beyond these, it suggested that this process caused a fundamental change in the social relations in the countryside. It underlined the primitive accumulation dynamics by referring to a three-dimensional commodification process, within which the land, the reproduction and the labour-power of the peasantry have been commodified, as a result of the agricultural restructuring process. It also stressed the significance of the state by revealing the means and mechanisms that are resorted to in materialisation of primitive accumulation.

As its theoretical basis, this work utilised two concepts; namely uneven and combined development, and primitive accumulation. The concept of uneven and combined development helped in describing the agricultural restructuring process that points to both unevenness as the analysed sector is a late developing one in a late developing country, and coexistence of modern and archaic or capitalist and non-capitalist forms and structures exemplified by the dominance of petty commodity production in Turkish agriculture. In addition, by enabling a shift from development per se to capitalist development, the concept constituted a bridge towards the concept of primitive accumulation; that is, the understanding of constitution of the capital-relation. The concept of primitive accumulation provided us with the exact conceptual tool required to grasp the analysed process.

Whereas the agrarian/peasant question was a central part of the analyses of rural Turkey in the pre-1980 period, it lost its place in the literature following 1980. The focus on the encounter between capitalism and agriculture and the resulting change in rural social relations, which contributed to the strength and depth of the analyses in terms of their critical capacity, was lost once the literature started to question the neoliberal phase as a distinct entity instead of capitalist relations as such. On the other hand, the fact that the agrarian question had been addressed as part of the development problematic in the Turkish context, because of the place of the country in world economy and of the countryside within the country, left an unfortunate legacy for the literature on Turkish agriculture up until today. The discussion on the concept of uneven and combined development in the theoretical framework chapter well depicted how a critical approach could reproduce a mainstream understanding of the social phenomena in an unintended way. Although it is capitalist development targeted by the UCD literature, it only provides a description of the reality.

In addition to that legacy, post-2000 works in the literature on agricultural restructuring in Turkey experienced a split between what I classified as macro level and micro level studies. While the first set of studies focused on policies and institutions at the expense of concrete experiences of the peasantry, the second one focused on the peasantry at the expense of the political and economic structure. A further challenge for the micro level studies was the necessity to limit the geographical space of their works and to narrow down their focus either to specific crops or to specific themes like contract farming and seasonal work, given the wide product range and the heterogeneous rural structure in Turkey. The continuing effect of the UCD approach took the form of a nationalist/developmentalist tendency within in the macro level studies. In addition, occurrence of new themes under increasing globalisation such as climate change, food security, and organic farming, further shifted the emphasis away from capitalism. In line with this shift, an emphasis on continuous/persistent primitive accumulation is lacking in the existing literature.

In the Turkish context, peasants are separated not only from the main means of production, but also from the ability to reproduce themselves without selling their labour power. In this sense, the process of primitive accumulation, concretised in the three-dimensional commodification in rural Turkey pointed to the separation of the masses from their means of subsistence. Primitive accumulation is constitutive of the capital-relation; it is neither limited to the period of transition to capitalism, nor a mere consequence of the capitalist development because of its crisis prone nature. It is continuously there, because capital rests on that process to subsist. In short, rather than transition to capitalism in rural Turkey or simply a neoliberal solution to the crisis of capitalist development, the agricultural restructuring analysed in this study points to the continuous constitution of capitalism.

To sum up, the main contribution of this thesis is the suggestion that the concept of primitive accumulation, as interpreted as the constitutive basis of the capital-relation, provides an important critical analytical tool in the analysis of agricultural transformation in Turkey. Secondly, while bringing in this interpretation to the Turkish context; this work also contributed back to the literature on the concept of primitive accumulation by applying it on the Turkish case, since persistent primitive accumulation is concretised in the experience of the three-dimensional commodification process in Turkish agriculture. Thirdly, the assertion that the state led the three-dimensional commodification process by governing through the market brought about a new perspective in the analyses of the place of the state throughout the agricultural transformation. To reiterate, the changes affected a huge population; and their current situation continues to be an area of study that is worthy of, and in urgent need of, an

academic interest. Given the problems of statistical data, locally conducted studies that are based upon anthropological field works would be significant in following the various ways and processes these masses go through after being separated from their means of existence.

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