

Globalization and party transformation: Turkey's Justice and Development Party in perspective

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Introduction

There is no doubt that Turkey's political system has undergone transformation in recent years partly as a result of the increasingly strong signals provided by the European Union (EU) and a more credible set of incentives relating to eventual full-membership of the EU. However, it is not simply external actors alone but a complex interplay of domestic and external influences that have shaped this process of transformation, which in many ways remains an on-going and incomplete process. This chapter has two interrelated objectives. The first goal is to highlight the paradoxical role of the Justice and Development Party (the AKP), a party with Islamist roots, in Turkey's recent transformation and Europeanisation. The second is to use recent Turkish experience to illuminate a broader question concerning the possibilities of transforming an Islamist political movement into a party that embraces the norms of liberal democracy. A central claim in this context is that although such a transformation is clearly possible and the norms of liberal democracy can be firmly entrenched in a predominantly Muslim society, this outcome in Turkey is context-specific, and is conditional upon the co-existence and the interplay over time of several favourable internal and external processes.

What is interesting from a comparative perspective is that unlike some of the countries included in this book direct international assistance or promotion aimed at transforming key political parties has not been a major aspect of Turkish experience. International democracy promotion efforts have by and large been directed towards civil society organizations instead.

The links between Turkey's main political parties and their foreign counterparts have also been relatively weak. Nevertheless, the process of globalization has had a dramatic impact in terms of transforming one major party, the Justice and Development Party (AKP). In retrospect, the process of globalization has contributed to this through three distinct sets of influences. First, it created a group of winners in economic terms, and this provided an opportunity for the party leadership to construct a broad inter-class coalition of both winners and losers, offering widespread electoral appeal. Secondly, the major crises of financial globalization that Turkey experienced in 2000-2001, which resulted in a massive collapse of output (with negative growth of -7.4 percent in 2001) and was accompanied by even more rigorous IMF conditions in terms of fiscal disciplines and regulatory reforms, helped to discredit the established parties on both the left and right of the political spectrum, creating political space for the AKP to capitalize upon. Thirdly, the regional context of globalization, namely the prospect of EU membership has also played a particularly favourable role both in terms of transforming the party and boosting its electoral fortunes. Turkey's attempts to engage with globalization through deeper integration with the EU have opened up an *opportunity space* for moderate Islamist politics, providing a source of protection against the secularist ideology of the state elites. At the same time, it has created a clear *boundary* for the range of permissible politics in the Turkish context, given the strong consensus in the EU on a secular constitutional order and, hence, the antipathy towards any signs of religious fundamentalism or fundamentalist politics in general.

From moderate Islamists to 'Muslim democrats': the historical roots of the recent transformation

The question of whether political Islam is compatible with liberal democracy has considerable practical relevance not only for societies with Muslim populations but also for the future of the international economic and political order, particularly in the post 9/11 global context. The fact that most of the countries in the Middle East and Islamic world more generally are ruled by authoritarian regimes, and have been rather impervious to the kind of democratic currents affecting much of Latin America, Eastern Europe and East Asia following the end of the Cold War also appeared to raise fundamental questions about the compatibility of Political Islam and liberal democracy. Turkey, as a secular and democratic state, with a predominantly Muslim population appeared to be rather unique case in the Islamic world. Nevertheless, in the past Turkey's own democratic deficits limited its ability to play the kind of role model for political liberalization in Arab or other Muslim societies. More recently, however, Turkey's own political and economic transformation has helped raise the credibility and the international appeal of the Turkish experience.

Given the increasing international relevance of the Turkish experience, then, what are some of the key lessons that can be derived from this particular national and historical context? Certainly, one of them is that a secular political order is a pre-condition for liberal democracy. Liberal democracy cannot take root in a Muslim society without a strong commitment on the part of the political elites to the principle of a secular political order and firm constitutional safeguards to prevent a violation of the secular character of the state. In spite of its limitations, one of the achievements of the Kemalist state founded by Kemal Ataturk in the 1920s has been to prevent the alternative of an 'Islamic state' (based on the Islamic Law) right from the beginning. The process of top-down implementation of the secularist ideology has also triggered a process of long-term social and political change. As a consequence, by the 1990s, even the most authoritarian-looking versions of political Islam in

Turkey, such as the Welfare Party (the RP) in the 1990s were politically moderate by the standards of other Muslim societies. The goal of establishing an Islamic state has enjoyed only very marginal political support among the society at large.¹

Yet another striking lesson is the long-term impact of the democratization process on the behavior of key political actors. Democratization over time necessarily involves a learning process, and Islamists in Turkey have not been immune to this process.² Indeed, scholars of Christian democracy in Western Europe have identified a similar learning process, whereby a largely authoritarian political movement has become transformed and has progressively embraced liberal democratic norms, in the process of trying to construct broad electoral coalitions within the boundaries of parliamentary democracy (Kayvas, 1996). Islamist political actors have also experienced a similar and often painful learning experience, which increasingly altered their basic perception of what was permissible in a democratic environment given the domestic and external constraints. What is interesting is that this learning process helped to instigate a virtuous circle, whereby the Islamists learned not simply how to respond to democratization in a reactive fashion but how to become a pro-active force contributing to the process of further democratic deepening.

A third major lesson of the Turkish experience is the importance of an economic transformation that helps to produce a substantial middle-class of entrepreneurs and educated professionals. If Political Islam is primarily a movement oriented towards mobilizing the interests of the underclass of urban marginals and rural poor - the so called losers of globalization - then it is more likely to adopt a radical posture. If in contrast, Political Islam is a movement based on a cross-class electoral coalition which includes a significant proportion of winners of globalization, then it is more likely to take a more moderate direction. Clearly,

the Turkish experience of economic development and more specifically the process of neo-liberal economic restructuring over the past two decades has helped develop a kind of conservative middle class or bourgeoisie , which represents a significant moderating influence. Moving in a moderate direction and accommodating the precepts of a secular regime do not necessarily mean however that the norms of liberal democracy will be embraced. Certainly, Malaysia's flourishing bourgeoisie for example has been making a major contribution to economic development there without undermining the authoritarian political foundations of the existing regime. So the rise of an economically successful and influential middle class could be considered as a necessary but not a sufficient condition for the entrenchment of liberal democracy.

Another important lesson concerns the role of the intellectuals and civil society organizations. There is no doubt that civil society started to flourish in Turkey during the 1990s, and a wide variety of groups are now beginning to voice claims against the limitations of the current political order. Similarly, intellectuals from both the 'secularist' and 'Islamist' components of society have emerged as notable sources of criticism for the existing democratic order. Hence, democratization in Turkey in the 1990s especially is strongly rooted in the domestic sphere; and pressures have been building from below for the transformation of the Turkish state and towards a more democratic regime.³

There is no doubt also that the EU anchor has been extremely important in terms of helping to soften the underlying secular versus Islam divide in Turkish society. In this context, one should emphasize both the long-term impact of Europeanization and westernization on Turkish democracy and the more recent impact of stronger signals in the direction of full-membership, which have dramatically altered the incentive structure for key

political actors and have helped to reshape the Islamists more than anybody else in the process. However, the very significance of this point raises a question mark concerning the broader applicability of the Turkish experience to the Arab Middle East, for the EU is unlikely ever to offer the possibility of full membership to the states in that region.

Finally, one should emphasize the role of leadership in helping to transform the nature of Islamist politics in Turkey. Structural incentives generated through globalization and potential EU membership constitute important channels for political change. Nevertheless, the ability of key political actors to respond and capitalize on these incentives is also critical. In this regard Prime Minister Recep Tayyip Erdoğan and Abdullah Gül, the Foreign Minister, have been very instrumental. As well as currently occupying leadership positions in the AKP they had previously been important figures in the Welfare Party, the RP, and the Virtue Party, the FP, establishments. They have played a central role in the transformation process by instigating the intra-party debate within the Virtue Party which succeeded the RP in 1997, that culminated with the splitting up of that party and the creation of the AKP. The role of leadership in the transformation process becomes all the more striking when compared with the position of the main opposition party, the Republican People's Party, the CHP, which through its own leadership failures was unable to capitalize on the opportunities provided by the new external environment.

Accounting for the transformation: the interplay of domestic and external dynamics

The Islamist movement in Turkey has been radically transformed over the course of the past decade. Table 1 clearly illustrates this by highlighting the profound differences that

characterized the approach of the AKP compared with its two predecessors, the RP and the FP. By 1995, the RP had emerged as a major political force following electoral victories in the main metropolitan areas of Istanbul and Ankara during the municipal elections of 1994. The party's rise continued in the general elections of December 1995. It emerged as the leading party capturing 21.4 percent of the vote and was able to form a coalition government as the major coalition partner (Öniş; 1997; Toprak, 2005; Yavuz, 2003). Whilst the RP was moderate by the standards of most Islamist political movements and was a coalition of a diverse set of interest and tendencies, it had some authoritarian leanings, raising doubts in the public mind about how far it would respect a pluralistic political order. It appeared that the party conceived of democracy in rather instrumental terms in their quest to change the Turkish state and Turkish society in a more Islamist direction. In the economic sphere, their underlying model was one of hyper-populism based on heavy state interventionism, in line with their popular conception of the 'just order' (*adil düzen*). In the foreign policy sphere, their approach involved a strong anti-European dimension in addition to being strongly opposed to the state of Israel. The main thrust of the foreign policy appeared to be the development of strong relations with other Muslim countries, with a clear focus on the Arab Middle East and North Africa.

What is interesting is that this kind of vision encountered serious setbacks and reversals during the course of the 1990s onwards. Certainly, developments in domestic politics played a key role here. RP's authoritarian leanings encountered resistance from both the secular establishment and the society at large. The 'post-modern' military intervention of February 28, 1997 was not a typical military coup and did not involve the replacement of a civilian government by a military government. Nevertheless, the military through indirect pressure and the warning of a possible coup in the future effectively facilitated the collapse of

the RP-led coalition government in June and culminating in the legal closure of the party by 1998. In spite of their authoritarian nature, these events signaled what was broadly permissible within a secular political environment, reflecting the preferences of large segments of the Turkish state and society and their reactions against what appeared to be rising Islamic fundamentalist tendencies.

The Islamists undoubtedly experienced a significant learning process during this episode. The RP's successor, the Virtue Party (the FP) was a political party with a much more moderate political face. Increasingly, the emphasis shifted to the extension of religious freedoms within the boundaries of the existing secular order. The FP was much more market-friendly in its approach to economic policy and much more supportive of developing close relations with the European Union. Even the FP, however, could not escape from legal closure, which, in part reflected the authoritarian bias of the Turkish state (see Table 2). The outcome of this decision was to generate a massive internal debate within the party between the 'modernizers' and the 'traditionalists', leading to fragmentation. The result was the emergence of two separate political parties, with the modernizers constituting the backbone of the newly founded the AKP. Looking back it is noteworthy that the degree of intra-party debate was much stronger in the late 1990s in the FP than in the older, more leader-dominated parties of the center-right and the center-left.

Table 7.1 Islamists' changing political agenda: stylized comparison of Welfare Party (RP) (1995), Virtue Party (FP)(1999) and Freedom and Justice Party (AKP)

	<i>RP</i>	<i>FP</i>	<i>AKP</i>
Economic Role of the State	Extremely significant. Strong redistributive role for the state. An active role for the state in subsidizing industrial development. Privatization deemphasized.	Some reference to the distributional role of the state. Much more emphasis on competition, the need to rely on market forces and privatization.	Strong emphasis on liberal economy and foreign direct investment. Favours privatization and properly regulated market economy. Some reference to social justice. Provision of social services within the budgetary limits of the IMF programme.
Democratization	No reference to individual or human rights. Major emphasis on social rights and freedom to practice religion.	Major emphasis on individual and human rights. Extension of democratic rights especially in the sphere of freedom to practice religion.	Major emphasis on democratic consolidation through continuing reforms in the realm of civil and human rights. Emphasis on the involvement of civil society. Only occasional references to religious freedoms.
Nationalism	Very strong nationalistic flavour. Conceives Turkey as the leader of the Muslim world.	Emphasis on nationalism less pronounced.	Highly cosmopolitan in outlook; nationalistic element somewhat subdued.
Religion and Moral Values	Very strong. Outlines specific recommendations with special reference to Islamic values and practices. A major distinguishing characteristic of the party programme.	Moral values and principles emphasized. However no explicit reference to Islam or Islamic values. Emphasis on religious freedoms as part of a broader agenda of individual rights and democratization.	Takes the secular order as its basic reference point. Moral values and principles are considered as broad social norms of Turkish society rather than specific emphasis on Islamic values. Religious freedom as part of a broader programme of democratization.
Centralization versus Local Government	Active role for the central government. Minor reference to local government.	Strong emphasis on decentralization and delegation of authority to local government.	Strong emphasis on decentralization and the policy-making capacities of local governments.
Foreign Policy Orientation	Strong anti-Western and anti-EU bias. Strong opposition to Israel. Favours close relations with the Muslim world.	Favours an active but balanced approach to foreign policy. Anti-western and anti-EU attitudes rejected. No explicit reference to Muslim countries.	Strong western orientation with full commitment to EU membership. Open to compromise solutions on key foreign policy issues such as the Cyprus. Follows a balanced approach towards Middle East.
Style of Politics	Aggressive, assertive and confident tone. Frequent use of populist rhetoric.	Defensive and subdued tone.	Emphasis on dialogue and consensus-building. Tends to characterize itself as 'Conservative Democrats' and defines itself increasingly as a party of the 'centre'.

State policies and disciplines were not alone in triggering a process of fragmentation and transformation. Certainly, a discursive change among Islamist intellectuals and civil society organizations was also in evidence, which helped the ‘modernizers’. Important civil society organizations such as the major business association, the Independent Industrialists and Businessmen Association, MÜSİAD, that had provided the backbone of the RP and represented a moderating force within the movement, underwent a significant change in outlook by the end of the decade. MÜSİAD began to place much more emphasis on the theme of democratization, the extension of civil and human rights, and integration with Europe. Similarly, the discourse of Islamist intellectuals in Turkey has been undergoing a parallel transformation leading to their increasing embrace of the liberal democratic norms and values.⁴

Naturally this brings us to the increasingly important role the EU plays in shaping the preferences of leading political actors, including the Islamists, long before the crucial Helsinki decision of December 1999 at which the European Union’s Council of Ministers granted Turkey candidate country status. Even the RP when it came to office agreed to operate within the boundaries of the newly signed Customs Union agreement with the EU. Certainly, the RP’s successors were much more positive in their attitudes towards the EU, increasingly seeing the EU as a necessary safeguard against the long-established state elites and as a vehicle to consolidate their position in society.⁵ The fact that the EU did not particularly object to the closure of the RP, but was more critical when it came to the closure of the FP provided important signals both to the state elites and to Islamist politicians themselves. Notable decisions taken in Europe such as by the European Court of Human Rights and its decision to endorse the closure of the RP, and more recently the banning in France by the

French government of wearing headscarves in public places, have had further conditioning and boundary setting effects on the range of permissible politics in the Turkish context. The growing trend within EU countries to restrict the use of religious symbols in public spaces and tougher action taken against radical right wing parties will inevitably influence the domain of action of Islamist politics in Turkey.

Table 7.2 Major turning points in defining the space for, and boundaries of, political action for Islamist political parties in Turkey

<i>Internal</i>	<i>External</i>
<i>27 March, 1994:</i> Significant increase in the votes of Welfare Party in local elections (19% of the vote) recording victories in major metropolitan centers such as Ankara and Istanbul	<i>9 October 1996:</i> Reactions of US and Europe to the foreign policy of the coalition government of the Welfare Party and the True Path Party which appeared to take a strong anti-western stance.
<i>24 December 1995:</i> Victory of RP in General Elections. RP emerged as the leading party, but was unable to form a majority government.	<i>23 June 2001:</i> Increased concerns by the European media over the closure of the more moderate Virtue Party because of the implications for democratization in Turkey and the future of Turkey-EU relations.
<i>28 June 1995:</i> RP-DYP Coalition Government was established under the Prime Ministership of Necmettin Erbakan	<i>31 June 2001:</i> Approval of RP's Closure by European Court of Human Rights
<i>28 February 1997:</i> 'Post-modern coup' and the forced resignation of government	<i>10 February 2004:</i> French government prohibits the headscarf, conceived of as a symbol of Political Islam, in French schools
<i>12 February 1998:</i> Closure of RP	<i>10 December 2004:</i> Closure of Belgian Radical Party, Vlaams Blok.
<i>2 May 1999:</i> Merve Kavakçı's attempt to attend the opening ceremony Grand National Assembly of Turkey wearing a headscarf, thereby violating a basic constitutional principle.	<i>30 June 2004:</i> Application of AKP to the European People's Party (EPP) for membership
<i>May 2000:</i> FP Congress and emergence of division within party over the candidacy of Abdullah Gül for party leadership	<i>28 January 2005:</i> EPP gives observer status to AKP
<i>22 June 2001:</i> Closure of VP	<i>10 November 2005:</i> The Decision of European Court of Human Rights endorsing the official

<p><i>14 August 2001:</i> Foundation of the new party, AKP</p>	<p>position of the Turkish State involving the ban on the wearing of headscarf in public places, resulting in the rejection of the application by Leyla Şahin, a student from Istanbul University who wanted to attend the university with a headscarf.</p>
<p><i>3 November 2002:</i> Victory of AKP in the general elections by acquiring 34.8 percent of the vote which enabled it to form a single party government with a comfortable majority</p>	

The principal bases of the AKP's electoral success

The extraordinary electoral success of the AKP in the November 2002 general elections (winning 34.28 percent of the votes and 363 seats in the Parliament) , following a decade of political instability featuring successive coalition governments, represented a major turning point in Turkey's political and economic trajectory. The explanation takes several forms. First, the party has been extremely successful in constructing a cross-class electoral alliance incorporating into its orbit both winners and losers from the neo-liberal globalization process. Business support, notably from small and medium-sized business units falling under the umbrella of a major nation-wide business association, constitutes a crucial element of the AKP's electoral support. Second, there is the strong track record of the AKP's predecessors at the municipal government level.. Third, the failures of the established conventional parties of center-right and center-left in achieving sustained and equitable economic growth, avoiding damaging financial crises and tackling pervasive corruption also paved the way for the AKP's unprecedented electoral success. In spite of its Islamist roots and a natural association in terms of its leadership and core bases of political support with the Welfare and the Virtue Parties, the AKP has nevertheless managed to present itself as a new face with a claim to the very center of Turkish politics. Hence it was able to form a broad electoral coalition.

Whilst explaining the rise of the AKP is not difficult, will the party be able to consolidate its power and establish itself as a major force in Turkish politics for several years to come? Clearly, an adequate answer to this question requires a systematic and critical analysis of the AKP's government's performance, notably in the economic realm. Up till now our assessment in this context is quite favourable, though with certain reservations; and no major setbacks are expected until, at least, the next general elections which are likely to be held in November 2007.

There is no doubt that the financial and economic crisis of 2001, the deepest crisis that Turkey has experienced in its recent history and producing negative repercussions on all segments of Turkish society, rich and poor, educated and non-educated, urban and rural, had a devastating impact on the electoral fortunes of established political parties in Turkey.⁶ An indication of the magnitude crisis is provided by the fact the growth rate emerged as -7.4 percent, per capita GNP declined from \$3095 to \$2261 during the course of 2001 and unemployment increased by one million.⁷ Clearly, the three parties that saw a collapse in their electoral support were the parties that made up the coalition government which had come into office after the April 1999 elections and, ironically, can be credited with unintentionally paving the way for some of Turkey's recent economic and political reforms. The leading party in the coalition government, the Democratic Left Party (the DSP) led by Bülent Ecevit experienced a total collapse. Similarly, the Nationalist Action Party (the MHP) and the Motherland Party (the ANAP) also experienced dramatic declines in their electoral base. Indeed, by the time of the next general election in November 2002 none of the three members of the coalition government were able to reach the ten percent threshold of the vote, and after 1999 were effectively excluded from participation in parliamentary politics. The True Path party (DYP), which was yet another party that was not in government in the years 1999 to

2002 but nevertheless had been a significant political force in the 1990s, also found itself relegated to the sidelines. Center-left parties were penalized for failing to protect the interests of the poor and the underprivileged; and center right parties suffered, in addition, from their association with widespread corruption.

The AKP as a new force capitalized on the situation and presented itself to the electorate as a progressive force that could bring benefits from the positive aspects of economic globalization, based on active participation and competition in the global market. At the same time, the AKP's approach indicated a genuine concern with issues in social justice to do with the distribution of material benefits and extension of individual rights and freedoms. Compared to its rivals and in particular the Republican People's Party (the CHP), the AKP appeared to be forward-looking and reformist, rather like a European-style social democratic party of the 'third way'. With its emphasis on the benefits of the market, the need to reform the state in the direction of a post-developmental regulatory model, commitments to multiculturalism and social justice and the extension of religious freedoms, and disposition in favour of EU membership, the AKP made the CHP look inward-oriented and conservative, judged by European standards.⁸ The CHP did have the advantage of not being in government or, even in Parliament in 1999-2002, and so it too could try to present itself as a new face. But it could not get rid of a heavily nationalistic and statist-oriented, and its attachment to a rigid version of secularism alienate it from significant segments of Turkish society that favoured an extension of religious rights and freedoms within the boundaries of a secular state. All things considered, the AKP benefited from the absence of a powerful rival. The continuing absence of a genuine alternative from either the right or the left with the capacity to adapt to changing circumstances and the new parameters within which Turkish politics operates may help to accentuate the dominance of the AKP even further over the next few years.⁹

The Turkish counterpart to Christian Democracy?

The emergence of the AKP as the dominant force in Turkish politics in the elections of November 2002 also represented a turning-point in Turkey-EU relations.¹⁰ Here was a new party with strong Islamist roots but nevertheless far more moderate and centrist in terms of outlook than its predecessors. Even more interesting, the party presented itself as an active and vocal supporter of EU membership. Indeed, once in office it pursued the EU-related reform agenda with a far greater degree of consistency and commitment than had the previous coalition government. The AKP has now established itself as the dominant component of the pro-EU coalition. This has contributed towards the development of a sizable pro-Turkey coalition within the European Union itself.

The AKP is broad based political movement with a pragmatic ideology. The fact that leading figures in the party as well as its core electoral support have previously been associated with the Islamist parties at first generated considerable skepticism among secular elements of the Turkish state and society, as well as the international community. But it soon became clear that the party was more moderate than its predecessors (see Table 1). Certainly it has a strong conservative streak, with a major emphasis on religion, morals and the need to preserve traditional values. This is manifest in relation to issues concerning women's rights and gender equality. Indeed, the party's own self-description is that of 'conservative democrats' identifying a close affinity in the process with their Christian democratic counterparts in Western Europe.¹¹ And the party's electoral base is a cross-class coalition that includes small and medium sized enterprises, who have benefited from the neo-liberal reforms that globalization has brought. The fact that business is an important component of the party's electoral base is another attribute that naturally leads many commentators to interpret the

party as a party of the center-right. It is also striking that the AKP more than any other political party in Turkey has tried to forge close, organic institutional links with its Christian Democratic counterparts in Europe. In fact it has been granted observer status within the European People's Party (in contrast the CHP is a long time member of the Socialist International but the party's nationalistic attitude and inward-looking orientation have left its links with the larger organization weak in practice). Institutionalized links of this nature are a good example of how party politics is becoming more globalized, and is likely to mean that a party such as the AKP will be induced to observe international norms in order to become and remain a member of the club.

At the same time, however, there are parallels between the AKP and the 'third way' style of social democracy that has been popular in European discourse, given the party's apparent commitment to the principles and values of cosmopolitanism, multi-culturalism, social justice and a properly regulated market economy. A benign view is that the AKP wants to extend the boundaries of religious freedom and encourage religious diversity, rather than challenge the idea of secularism as a constitutional principle. Moreover, in its policy rhetoric it seems to pay more attention to social justice and the plight of the poorest than do Christian Democratic counterparts in western Europe, although its ability to accomplish anything concrete in these matters is severely constrained by the financial discipline that it has had to impose on public spending, in connection with the International Monetary Fund's programme of support. Social democratic politicians in Europe, the principal supporters of Turkey's bid for EU membership, have tended tend to be much more sympathetic to the AKP than to the CHP, its putative social democratic counterpart in Turkey.

The AKP has effectively captured the ground which was previously occupied by both the center-right and the center-left parties in Turkish politics. It has the country's financial and economic crisis to thank for that. Representing a unique synthesis of reformism and conservatism, it has been able to consolidate its power and popularity, both in the domestic and international circles, even further by displaying a mixture of pragmatism in terms of implementing fiscal discipline and neo-liberal economic reforms and radicalism, by implementing EU-related political reforms. The result has been a mixture of economic recovery and a further opening of the political space for democratic participation in Turkey. Evidence of economic recovery is provided by the fact that the average growth rate per annum over the course of the 2002-2005 period emerged as 6.9 percent, whilst inflation rates fell to single digit levels for the first time for three decades. These trends were set in motion before the AKP came to power but by accelerating the momentum the party has been able to reap much of the credit. More striking still, perhaps, has been a significant shift of foreign policy behavior away from a hard-line nationalistic stance and towards a more balanced and pragmatic approach. This is clearly evident in regard to the Cyprus problem, which has long constituted an obstacle to Turkey's aspirations to EU membership. The AKP government was effectively the first government in Turkey to welcome a compromise solution which would bring the dispute to a peaceful conclusion. A trend towards more 'balanced' foreign policy behavior was also evident in the government's attitude towards the US invasion of Iraq and in relations with the United States, as well as relations with Israel and the Arab world. Relations with all neighboring countries have improved.

Putting the AKP experiment in broader context, what is striking is that Turkey's Islamic identity had been identified by some as a source of difference, providing an argument for exclusion from the European Union. The typical line of argument here - drawing on

Samuel Huntington's polarization of East versus West - was a concern that Turkey's true Islamic identity would be lost sight of as the process of getting closer to accession to the EU unfolded. But on the contrary, the AKP as a party bearing a moderate Islamist orientation has been the central political actor in bringing secular Turkey closer to the center of the European project. Indeed, a seeming paradox is that moderate Islamists in Turkey have seen the importance of EU membership for Turkey as a means of consolidating and solidifying their own position against possible threats to them from the hyper-secularism of the established state elites and important sections of Turkish society, helping to expand the boundaries of religious freedoms in the process. Hence, the prospect of European integration in a rather unexpected fashion has become a mechanism for preserving Turkey's Islamic identity and making it more compatible with a secular, democratic and pluralistic political order.

With Turkey having gone through a process of radical reforms and with the experience of the early years of the AKP government to draw on, we are now in a stronger position to argue that the Turkish synthesis of secularism and democracy in a predominantly Muslim setting can offer a credible alternative to the rest of the Muslim world. An obvious qualification is that the 'secularism versus Islam' divide and the debate over the boundaries of secularism are still far from being resolved. And significant elements both within the state and the society at large continue to view the AKP's moderate image with considerable suspicion. Indeed, the government has by and large sidelined contentious issues like the wearing of head-scarves by women in public spaces, so as to prevent an increase in tension and avoid serious conflict.¹² Certainly, the AKP's own commitment to 'multi-culturalism' is open to question given that the party has so far not been very receptive to the idea of extending religious rights to Christian minorities as well as Muslim minorities such as the Alevis. Perhaps, it is fair to say that, after initial reservations the international community has been

more receptive to the AKP government even as serious divisions remain within Turkish society.

What is also critical in this context is that while the European Union places a very high premium on secularism it does not offer a single blue print for concrete practice. Indeed, within the European Union there exists a variety of national models concerning the translation of the principle of secularism to actual implementation. Hence, the EU has helped to push Islamists in Turkey in a more moderate direction, by restricting the space within which they could operate. However, this does not mean that EU membership by itself can resolve completely the secularism-Islam divide in Turkey. The issue will continue to arouse controversy, in Turkey and in Europe. In Turkey there is scope to further extend religious freedoms, but progress will depend on the ability to develop and agree upon compromise solutions, without looking for some blueprint from the EU. The fact that the AKP government has so far been able to postpone dealing with an issue like the headscarf one does not mean that such issues have gone away.

Can the AKP maintain its electoral dominance?

By the end of 2004, the position of the AKP as the dominant force in Turkish politics appeared to be secure for the foreseeable future. The decision of the European Council in December to start the process of accession negotiations with Turkey by October 2005 was clearly a favourable development that helped to bolster the AKP. A major setback on the EU front in December 2004 could well have triggered a vicious circle of negative reactions in financial markets, leading to a serious economic downturn would quite easily have undermined the comfortable standing currently enjoyed by the AKP. It would be premature to

predict that position still enjoyed by the AKP represents a kind of medium or long-term equilibrium in Turkish politics. A number of developments both on the domestic and external fronts could result produce a political reversal. The performance of the economy remains a critical factor. If it can continue to grow at rates of six or seven per cent per annum then the distributional conflicts that have been all too common in the past can be contained. But this will require large inflows of foreign direct investment and significant improvements in domestic savings, investment and productivity. The data indicate a striking increase in FDI inflow in the post-crisis era. FDI inflows amounted to \$3.7 billion in 2005 in contrast to \$1.1 billion in 2002.¹³ The investment climate has improved in recent years as a result of the government's strong commitment to fiscal discipline and the broadly favourable development in relation to EU accession, international competition for inwards investment remains intense.

A low growth scenario, then, could have serious political consequences. Furthermore the accession negotiations with the EU are likely to entail making costly adjustments including restructuring the agricultural sector, accounting for 14 percent of GDP and some 35 percent of the workforce, and implementing demanding regulations to come into line with EU standards and norms. Hitherto, Turkish public opinion has been heavily in favour of EU accession primarily because of the material benefits that are anticipated from likely to arise from full membership. But if the economy falters and the adjustment process demanded by accession negotiations imposes heavy costs, the enthusiasm shown by significant sections of Turkish society within and outside the business community could be affected. A revitalization of the nationalistic and Eurosceptic bloc in Turkey cannot be ruled out in these circumstances. Indeed, the political contest in Turkey during the coming years is likely to take place amongst the different segments of the center right involving the "Muslim Democrats" and the nationalists, in an environment where European-style social democracy still does not exist.

Signs that the electoral contest in Turkey might already be moving in this direction began to appear in the municipal elections of March 2004, which saw a marked improvement in the electoral fortunes of two nationalistically and Eurosceptically inclined parties, the MHP and the DYP. The fact is that the economic recovery that Turkey has experienced since the 2001 has yet to translate into improvements in rural poverty and unemployment, especially youth unemployment. The magnitude of the problem becomes evident from a brief inspection of the unemployment rate for the educated youth which currently stands at 28 percent in a country where the overall unemployment rate is 10 percent. Similarly, if the economy continues on a high growth path then small business is more likely to share in the benefits and distributional conflicts with large business units can be avoided, but in a less dynamic economic environment small and medium sized business too may start looking around for alternative avenues of political representation to the AKP.

In a deteriorating economic climate, then, the broad coalition that the AKP represents could begin to crumble, especially if it is no longer able to avoid facing up to the kind of thorny political issue of which the lifting of the existing ban on the entry of girls with headscarves into universities is a good example. That sort of initiative might bolster its core support but would cause serious opposition from the secular establishment. The fault lines that separate Islamists and secularists in Turkish society have certainly not disappeared. Indeed, whenever the AKP government has tried to push sensitive identity-based issues on the policy agenda, the outcome has been resistance and conflict with the secular political establishment. Hence for the most part its approach of the government has been cautious and pragmatic. But in the course of time that could come to alienate its core supporters. For them expression obvious - but not the only alternative – at the present time is the ‘Happiness Party’ (*Saadet*), which represents the linear descendent of the Erbakan Style ‘National Outlook

Movement' (*Milli Görüş*). This party captured just 2.5 per cent of the vote in the general election of November 2002, but could yet take support from the AKP. Another possibility is that nationalist parties erode the AKP's present dominance; they did well in the general election of April 1999, when the ultra-nationalist MHP gained ground at the expense of the Virtue Party. The MHP with its special brand of nationalism and Euroscepticism on the one side and religious conservatism on the other could well emerge as a major rival to the AKP, if the different elements of the AKP's underlying coalition of support began to feel dissatisfied - for a variety of rather different reasons - and changed their party political preference. The resurgence of violence orchestrated by the Kurdish Workers' Party (PKK) and increasing demands by the Kurds for greater political recognition may be other factors that could contribute to a nationalistic backlash, presenting further challenges to the AKP in the coming years.

Also we should not discard the possibility that external developments might play a destabilizing role with potentially negative consequences for the AKP specifically. The path towards EU membership will continue to be an uphill struggle. Considerable divisions over membership by Turkey remain within the EU notwithstanding the accelerating pace and depth of reforms taking place in the country, and these divisions by and large did not exist in the accession process of the new members from Central and Eastern Europe. By sending a relatively ambiguous and lukewarm signal to Turkey the EU actually renders the job of a government committed to the implementation of EU-related reforms more difficult. Added to this there is still the dispute over Cyprus, which could prove a stumbling block in the accession process. Instability in Northern Iraq and deteriorating relations with the United States also pose challenges. All these considerations suggest that the extraordinary success of

the ‘Muslim democrats’ in the past few years does not necessarily represent a stable equilibrium, given the fragile domestic and external context of Turkish politics.

The broader significance of the Turkish experience

The central message of this chapter is that an Islamist political movement can transform into a party promoting western integration and liberal democracy. At the same time, there is nothing inevitable about the emergence and consolidation of liberal democracy in a predominantly Muslim setting. The historical context matters and the outcome depends on the intersection of a combination of forces both domestic and external. The specific example of Turkey provides a good example of how liberal democracy can take root and flourish as an example of a secular state in a predominantly Muslim setting, with the qualification that liberal democracy is still in the process of being consolidated in Turkey. In retrospect, several factors have contributed to the emergence of this benign development so far a specific historical setting.

The constitutional order of the modern Republic with its strong commitment and arguably authoritarian interpretation of secularism was extremely important in the first instance, by excluding the radical alternative of an Islamic state right from the very beginning. The principle of a secular political order is a pre-condition for a liberal democratic order, although the boundaries and the implementation of secularism in everyday life constitute an area for political contestation. The Kemalist nation-building project in Turkey with its own brand of secularist ideology made a positive contribution by helping to define the boundaries within which the Islamists could operate, although it also played a repressive role in terms of restricting the boundaries of political participation.

Representative democracy, in spite of its shortcomings, has been the norm since 1945. There is no doubt that the Islamists in Turkey have experienced a learning process, The democratic order has helped to shape the demands of the Islamists in a more moderate direction realizing that compromise solutions were vital for their effectiveness and survival within the boundaries of the secular process. Indeed, the learning process accelerated especially in the aftermath of the ‘February 28 Process’ - the ‘post-modern coup’ - that effectively brought about the collapse of the coalition government led by the Welfare Party, in June 1997 and the subsequent closure of the Welfare Party. This rapid learning process was arguably at the heart of not only the AKP’s electoral success but also its ability to consolidate its position, after assuming power in November 2002. Indeed, a kind of virtuous cycle appears to have emerged in Turkey in recent years with the democratization of the political regime leading to the democratization of the Islamists themselves, and then the Islamists, in turn, ironically taking up a key role in the further democratization and Europeanization of the Turkish political system.

Turning to the economic realm, the emergence of a significant middle class or ‘counter-elite’ within the Islamist movement including intellectuals, businessmen as well as highly educated professionals, who have benefited from the processes of globalization and neo-liberal economic restructuring, have clearly helped to tilt the balance in a moderate direction. This new bourgeoisie has set its sights on enlarging the boundaries of freedom and political participation and improving their social status and access to state resources. An open clash with the secular establishment was clearly not in their interests. Turkey’s empirical realities lend strong support to the observation that the emergence of a strong middle class is a crucial pre-condition for the emergence of liberal democracy.

Finally, the European Union has played and is likely to continue to play a critical role in making Islam and liberal democracy compatible in Turkish setting. The role of the EU has been particularly striking in re-shaping the outlook of the Islamists in Turkey, who increasingly came to see the EU as a necessary safeguard for protecting their own identity against the secular state establishment. Consequently, the Islamists or more recently the Muslim Democrats have become the most vocal element of the pro-reform or the pro-EU coalition in Turkey. The prospect of EU membership helped to provide a common project for different elements of the Turkish society and as a result helped to soften the fundamental secular-Islamist divide in Turkish society.

Highlighting the importance of contextual changes inevitably suggests that it would be misleading to think of the Turkish example as a ‘model’ that can easily be transplanted to the Arab Middle East. It is equally wrong to argue that the Turkish experience holds no relevance for the Arab Middle East, given that the elites there for a variety of historical reasons - the Ottoman legacy of imperial rule, the way that secularism has been put into practice during the modern Republican era and Turkey’s single-minded orientation towards the West - have tended to distance themselves and have been unenthusiastic about the idea of a ‘Turkish model’. Both Turkey and the region as a whole are in flux, and undergoing a process of deep-seated transformation, so past perceptions may provide only limited guidance to future developments.¹⁴

So, the relevance of the Turkish experience as an example (it is not an exportable model) will depend both on the nature and speed of the political liberalization process in the Middle East region and on Turkey’s own performance in economic and political reform, and on smooth transition to EU membership. Certainly, the more enclosed and authoritarian

regimes of the Middle East and Central Asia are likely to visualize the Turkish experience as an existentialist threat may well seek to distance themselves from this on-going experiment as much as possible. In contrast, regimes which are in the process of being liberalized are likely to be more receptive to the Turkish experience. Interestingly, therefore, the greater the degree of democratization in the region, the greater will be the relevance of the Turkish experience, which in turn should help to contribute to the economic development and democratization of the region even further. Added to this, the fact that the recent ‘Europeanization’ of Turkish foreign policy has resulted in a more balanced foreign policy behavior towards Israel and the Arab States is also likely to increase the receptivity of policy-makers and intellectuals to the on-going transformation process that Turkey has been experiencing.

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¹. For evidence, see Ali Çarkoğlu and Binnaz Toprak, *Türkiye’de Din, Toplum ve Siyaset*, Istanbul: TESEV, 2000, also reported in Toprak (2005). On the historical context of the Turkish experience with secularism, see Binnaz Toprak, “Islam and Democracy in Turkey”, *Turkish Studies*, Vol. 6, No. 2, 2005, pp. 167-186. For a good discussion of the distinction between secularism as a constitutional principle and the specific secularist ideology of the Turkish state, see Andrew Davison, “Turkey, a ‘Secular’ State: The Challenge of Description”, *South Atlantic Quarterly*, Vol. 102, No. 2/3, 2003, pp. 333-350.

² For an optimistic and yet conditional assessment of the compatibility of Islam and democracy in the Turkish context, see Metin Heper, “Islam and Democracy in Turkey: Towards a Reconciliation?” *The Middle East Journal*, Vol. 51, January 1997, pp. 31-45.

³. On the nature of civil society activism and the role of the intellectuals, see Fuat Keyman and Ahmet İçduygu, *Citizenship in a Globalizing World: European Questions and Turkish Experiences*, London: Routledge, 2005 and Nilüfer Göle, “Towards an Autonomization of Politics and Civil Society in Turkey”, in Metin Heper and Ahmet Edvin, (eds.): *Politics in the Third Turkish Republic*, Boulder Co: Westview, 1994.

⁴ . See in this context the important study by Ihsan Dağı, “Rethinking Human Rights, Democracy and the West: Post-Islamist Intellectuals in Turkey”, *Critique: Critical Middle Eastern Studies*, Vol. 13, No. 2, 2004, pp. 135-151.

⁵ . See in this context Ziya Öniş, ‘Political Islam at the Crossroads: From Hegemony to Co-Existence’, *Contemporary Politics*, Vol. 7, No. 4, 2001, pp. 281-298, Şaban Taniyici, “Transformation of Political Islam in Turkey: Islamist Welfare Party’s Pro-EU Turn”, *Party Politics*, Vol. 9, No. 4, 2003, pp. 463-483 and Toprak (2005).

⁶ . For detailed discussions of the recent economic crises see Ziya Öniş and Barry Rubin, *The Turkish Economy in Crisis*, London: Frank Cass Publishers, 2003.

⁷ . The key macro indicators are taken from DPT, *Temel Ekonomik Göstergeler*, Ankara: Devlet Planlama Teşkilatı (State Planning Organization, Main Economic Indicators, Various Issues).

⁸ . On the role of the AKP in Turkey’s recent Europeanization and democratization experience, see Mohammed Ayoob, “Turkey’s Multiple Paradoxes”, *Orbis*, Vol. 48, summer 2004, pp. 451-463, Çağlar Keyder, “The Turkish Bell Jar”, *New Left Review*, Vol. 28, 2004, pp. 65-84 and Ziya Öniş and Fuat Keyman, “A New Path Emerges”, *Journal of Democracy*, Vol. 14 No. 2, 2003, pp. 95-108.

⁹ . On the nature of the Turkish party system and the principal characteristics of the political parties involved see the articles in Metin Heper and Barry Rubin, *Political Parties in Turkey*, London: Frank Cass, 2002.

¹⁰ . On the November 2002 general elections see Öniş and Keyman.

¹¹ . For a recent comparison of the AKP and Christian Democrats in Europe see also Vali Nasr, “The Rise of ‘Muslim Democracy’”, *Journal of Democracy*, Vol. 16, No.2, pp.13-27.

¹² . The only exception has been the introduction of the Higher Education Bill which extended opportunities for religious secondary schools, in May 2004. The proposal was shelved following strong opposition.

¹³ . Treasury data available at www.hazine.gov.tr/stat/yabser/dyyt.xls.

¹⁴ . For evidence of recent shift in perceptions regarding Turkey in the Arab Middle East see Dietrich Jung, “ Turkey and the Arab World: Historical Narratives and New Political Realities”, *Mediterranean Politics*, Vol. 10, No. 1, 2005, pp. 1-17.

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