

THE MEANING OF RECENT CHANGES IN TURKEY:  
A ROAD TOWARD A SELF-MANAGED SOCIETY

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In January 1978, Turkey underwent a governmental change which is important to the understanding of Turkey and other less developed countries which share similar social, economic and political problems. This paper, after a brief introduction (Section 1), will discuss the historical background of this change (Section 2).<sup>1)</sup> General principles of the Republican People's Party (R.P.P.) which facilitated this change will constitute section 3. The prospects toward a more democratic and participative society (Section 4) and the difficulties facing the new government (Section 5) will make up the rest of the paper.

1. INTRODUCTION

In the first week of this year, Turkey had a new government headed by Bulent Ecevit, leader of the R.P.P. Ecevit is sharing the power with eleven independent deputies who resigned from the Justice Party of Suleyman Demirel and two other small parties, one of which (the Republican Reliance Party) is represented by two and the other (the Democratic Party) by only one member in the National Assembly.

The very significant increase in the percentage of the votes that R.P.P. won in the last three general elections is strong enough to show the desire of the Turkish people for change. Shown below (Table 1) are the proportions of votes received by the two largest political parties, the Republican Peoples Party and the Justice Party (J.P.)

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<sup>1)</sup> It is very difficult to understand the present and to predict the future without understanding the past. To see the mistakes made in the past by the Turkish intelligentsia may help other countries' intellectuals and politicians to not repeat the same. To give the flavor of the events, this section is the longest part of the paper.

Table 1  
Distribution of Votes  
1969, 73, 77

Year	R. P. P.		J. P.	
	% Votes	Gain/Loss	% Votes	Gain/Loss
1969	27.4		46.5	
1973	33.3	+5.9	29.8	-16.7
1977	41.4	+8.1	36.9	+7.1

## 2. WHAT DOES THIS CHANGE MEAN?

Historical background.

To understand the significance of this change we must briefly review Turkey's history from the late Ottoman period to the present.

Turkey resembles a bridge between Europe and Asia, not only geographically. She inherited problems of the Ottoman Empire as well as the dispute between the "etatist-elite" and the "liberal-traditionalist"<sup>2)</sup> which began during the Ottoman period. This dispute will be used extensively in explaining Turkish history.

Being part of the colonial world, the Ottoman Empire was dependent upon foreign loans since 1852. Not being able to pay the dues, the Empire became financially managed by a foreign commission. This dependency furthered pauperization in Turkey. During this same process of pauperization, a group of intellectuals, mostly educated in Europe, shared the power with the Sultan. This group of intellectuals, which is from now referred to as the "etatist-elite", were in favour of introducing western political and social institutions without understanding the totality of the system in which those structures functioned. The colonization process had made it impossible to industrialize and develop social classes of a European type, which would have restricted the mobility of the "etatist-elite."

Despite their good intentions to democratize life, the "etatist-elite" became a class of rulers "from the top." The European institutions suggested by them lacked roots and meaning in a Turkish context. The elite pursued its purposes "for the people — despite the people." The two processes — the pauperization and the modernization — appeared to be connected in many of the people's eyes.

Opposed to these developments was the "liberal-traditionalist" movement which, without offering a concrete program of action, gained some support from the people. This movement was traditional in the sense that it was against the importation of European institutions, yet liberal in the sense that it favoured the desires of the masses over the desires of the dominant elite.

<sup>2)</sup> As it is used by E. Kongar in his intensive and valuable study, *Imparatorluktan Günümüze Kadar Türkiye'nin Toplumsal Yapısı*, Cem 1976.

Mustafa Kemal Atatürk was a member, yet a very strong critic of the "etatist-elite." He believed that without support from the people nothing could be changed. During the Independence War of 1920-3, he reorganized and united the local organizations which were committed to the fight against imperialist troops occupying the homeland.

After the independence war the dispute between the "etatist-elite" and the "liberal-traditionalists" continued. Four years after the 1946 introduction of the multiparty democratic system, the Democrat Party (D. P.) came to power. Its victory was made possible by the "liberal-traditionalist" support as well as by the desires engendered by World War II economic prosperity of the newly generated well-to-do's and economic difficulties of the masses.

Once in power, the Democrat Party moved to consolidate its hold on power. When in 1956-7 the economic conditions became worse (mainly because of unplanned expenditures and because of policies aimed at enriching a small percentage of the population), the government began to use legal and extra-legal measures. It sought to drive other parties from the political area. The undemocratic governance and the failure in managing the economy resulted in lessening the people's sympathy to the D. P. In the 1957 elections the D. P. lost more than 9 per cent of the total votes and it received 47.3 per cent compared with 56.6 in 1954.

The people's dissatisfaction with D. P. rule was at its height early in 1960. Instead of democratizing life and being responsive to the people's desires, the D. P. preferred to suppress the opposition. It is doubtful that they would have won the upcoming 1961 elections. Defeat was forestalled, however, by the May 1960 military coup d'état.

Following the Revolution, a new constitution was promulgated guaranteeing the autonomy of the universities, the courts and the radio. A State Planning Organization was set up to oversee economic development.<sup>3)</sup> The new courts formed entitled the right to check the constitutionality of laws and legality of governmental decisions. Despite all these democratizing measures, the move was "from the top." And as any other movement from the top, the Turkish people reacted to it. The masses perceived the Revolution of May 1960 as another action taken by the "etatist-elite" and a provocation of R. P. P.<sup>4)</sup> This interpretation by the people can be seen from the votes received before and after the revolution by R. P. P., D. P. and the parties which have been founded after the Revolution and claimed to be the successors of the D. P. Table 2.

In a sense, the successors to the D. P. were supported more than the D. P. itself to reciprocate the intervention by the army. The idea of the R. P. P.'s being the provocator of the revolution made it lose 4 per cent in 1961 in comparison with the votes of 1957 and more in the following election.

So far the R. P. P. was the mirror image of the bureaucrats with respect to their achievements in Turkish politics. Despite the fact that, with the socio-economic conditions of Turkey in the middle of the 1960's, one

<sup>3)</sup> OER of Turkey, Annual Supplement, 1977.

<sup>4)</sup> Suna Kili CHP de Gelişmeler, Boğaziçi Üniversitesi, 1976.

could do nothing "from the top", some of the intellectuals, frustrated by the results of the recent elections, were trying to publicize the old idea of "revolution by the army." To support their view they interpreted the last century of Turkish politics in terms of accomplishment by progressive bureaucrats (e. g. military bureaucrats). They maintained that "most of the people were illiterate and not able to follow politics. People did not know where their advantages were," etc. This proved to be incorrect. The military action which was very much provoked by the leftist "etatist-elite" materialized on March 12, 1971. Hence it was an absolute disappointment for the intellectuals when it was understood that "there was nothing revolutionary in this action, but reactionary and rightist." The government formed after the memorandum of March 12 (which was given by senior army commanders) harrassed and imprisoned many leftist intellectuals.

Table 2  
Distribution of Votes  
1957—1965

Years	R. P. P.		D. P. <sup>5)</sup>	J. P.	N. T. P.
	% Votes	Gain/Loss			
1957	40.6		47.3		
1961	36.7	-3.9	(48.5)	34.8	13.7
1965	28.7	-8	(56.6)	52.9	3.7

Ecevit, the R. P. P.'s present leader, immediately reacted against the military memorandum. This was a manifestation of this decisiveness about the democracy. At the time he was the General Secretary of the party. The party still had some "bureaucratic-reformists." The leader of the party was İsmet İnönü (the very historic figure of the Independence War and the Turkish politics). Because İnönü decided to support the government formed after the memorandum, Ecevit no longer wanted to keep his position in the party. His ideas, however, had already been accepted by the majority of the party.

Shortly after a battle in the party, Ecevit was elected as the new leader of R. P. P. The last "bureaucratic-reformists", the "etatist-elite", had to resign from the party following the victory of Ecevit's ideas.

The military memorandum forced the demise of the government of the Justice Party led by Suleyman Demirel. Demirel in the last three years had complained about the luxurious freedoms given by the constitution which prevented him from suppressing the opposition and the youth movement in Turkey.

<sup>5)</sup> After the Revolution of 1960, the two parties, the Justice and New Turkey's (N. T. P.) claimed that they maintained the Spirit of the D. P. and deserved the success. The supporters of the D. P. too were confused by the two. It would not be a very big mistake nor very significant for our analysis to assume that what J. P. and N. T. P. votes totaled were close to what D. P. would have received if it had been not closed.

At the beginning, the government formed after the memorandum promised many reforms, all of which were aspired by the people and the leftist intellectuals (e.g. a just land reform). But none of these reforms could be materialized. As time passed, the government leaned toward the right. It amended the constitution and restricted the freedoms in the way Demirel had desired for years but had not been able to attain. Now "Demirel's ideas were in power" without his responsibility.

This type of political structure was not more realistic for Turkey than the one suggested by the "etatist-elite" — i.e., "rule from the top." And it soon lost its ground. The resolute opposition of the R. P. P. to the attempts aimed at curbing freedoms and democratic rights (e. g. right to strike, meetings, demonstrations) was witnessed by the people. The military action lost its influence gradually. Exactly two years after the memorandum, one of the signers of the memorandum, the chief of the armed forces, resigned from his position and sought to be elected as the new president, but received no support from the parliament. This was the last interference of the army in Turkish politics.

A more liberal government was formed until the new elections were held in October 1973. The result of the election showed a turning point in the R. P. P.'s history and a victory for the new leader, stand and cadres. The voter punished Demirel's Justice Party because of the support he had given to the non-democratic actions in Turkey. The J. P. won only 29.8 per cent of the total votes in 1973 compared with 46.5 per cent in 1969. The R. P. P. had 33 per cent as compared with 27 per cent in 1969.

The elections did not give the majority to any party. Therefore, a coalition was formed three months later. This government headed by Ecevit had many problems with its coalition partner, the National Salvation Party (Muslim Fundamentalist). They had conflicts concerning the internal economic policies as well as those of foreign politics.

Participation of the workers in management of state economic enterprises, channeling some of the available resources to the "people's enterprises" and the cooperatives, and planning to carry on very big industrial projects by means of the "people's sector", were among the very important features of the programme which would later lack support by the partner N. S. P. and cause the government to resign.

In March 1975, a coalition of the four parties (J. P., N. S. P., Nationalist Action Party and the Republican Reliance Party) who formed the "nationalist front" led by Demirel came into being.

Despite the coalition, the parties constituting the "nationalist front" realized that they were losing the prestige they had and an election would not bring victory. They built up a campaign (which was the main thrust of their unity) to alert the people to the "communist nightmare" which was presumably coming from the streets — the schools, the teachers' associations, etc. They maintained the view that the communist activities were supported by the R. P. P. To gain material for their propaganda, they supported the street movements and did not prevent the reactions caused by them. The result was the death of more than 200 youths all over the country in a period of two and a half years. On the other hand, their newspapers were preaching how "nationalist" and "anti-communist" the Turkish army was,

hoping that they could have another chance as in March 12, 1971. Now the Turkish society had a social structure to defend the democracy despite the rightist politicians. The rightists were not "liberal" anymore. The myth of being "liberal-traditionalist" ended as did the myth of "etatist-elite." The democracy was supported by the lower income people for which it would operate thereafter.

The elections of 1977 gave a clear lead to the R. P. P., and after the resignation of 41 deputies from the J. P. (these deputies were against the way Demirel ruled the country and the party in the last couple of years) Ecevit could form his government.

### 3. GENERAL PRINCIPLES OF THE REPUBLICAN PEOPLE'S PARTY

Following the path that is explained in Section 2, the Party was changing at least as fast as was the social structure in Turkey. The final outcome of the philosophy which started in 1965 as the "left of center" and interchangeably called "social democrat" or "democratic leftist" is the program of November 1976. Not to have any international connotations, the party agreed on the "democratic left" as its scope.

Maintaining the six old principles and reinterpreting them, the party now has six new principles which constitute the content of its "democratic leftist" philosophy. The six old principles comprise R.P.P., republican, nationalist, populist, etatist, secularist and revolutionary. These are the six principles inherited from Mustafa Kemal Ataturk, the founder of the party. The six new principles are freedom, equality, solidarity, superiority of labour, integrity of development and self-management by the people.

To elaborate these briefly, it has to be admitted that the party programme makes use of all the recent scientific findings and the criticisms made of both the centrally planned economies and the western type capitalist systems. The criticisms made of the former are that they bring economic equality, but stay passive in human rights and do not solve the problem of alienation. While the latter gives freedoms, at the same time it allows the exploitation of labour and maintains economic inequality and alienation.

In the programme, "freedom is one of the main conditions for human beings to constantly improve their personalities, thoughts and comprehension, abilities and creativity. It is a necessity for both human beings and the society to surpass themselves".<sup>6)</sup>

Equality refers to "legal equality, equality in the eyes of government, in rights and freedoms, work, education and self-improvement, participation in decision-making, and equality of benefits from the national prosperity." Thus it requires equality in economic, social, cultural and political rights.

"Solidarity" — every individual should contribute to the society as much as she/he can, and the society too should justly satisfy the needs of every individual." "Solidarity is essential for humane living, thus everybody cares for the society and works for happiness, freedom and prosperity of the people. The society, too, regards every individual as equally important."

<sup>6)</sup> Programme CHP, 1976.

"Superiority of the labour": "Labour as a source of creativity and productivity has a supreme value and in a healthy society, labour by itself is a reason for respectability".

"The value that is produced by labour should remain in the hands of those who produce it. The labourers should have the right to decide on how to use the savings created by their labour for the benefit of the society and they also should have the right to determine their working conditions.

"Integrity of development": "Development with its social, economic and political dimensions is one integral unit." "The goals of economic development should aim at improving in every respect the society as a whole. It should enhance the prosperity, freedom and happiness of the whole society and remove all the barriers that restrict the development of one's personality. To postpone these (prosperity, freedom, happiness, etc.) to a later stage of economic growth creates insurmountable imbalances in both the economic and social structure of the society. There is no way of arriving at a just order by unjust ways nor to human goals by inhumane means. Therefore, economic growth should be accelerated simultaneously with the attainment of justice and freedoms".

"With every stride toward economic growth and development, the principles of freedom, equality and superiority of labour must be kept in mind. This can be materialized only if the people govern themselves".

"A society in which the people govern themselves can provide faster economic growth and integrate it with social development more healthily than either an alienated state bureaucracy and/or an economic system which exploits the people".

"Self-management by the people". "Self-management by the people is necessary for accelerating development as a whole and it is the main principle of democracy".

"A free, non-exploiting, just and humane social order can materialize as long as the people govern themselves... Self-management by the people should be actualized in organizing the work conditions, the local administration, the state administration as well as all other aspects at all levels of social life".

The above translations from the party programme represent a historical synthesis for both Turkey and other developing countries who suffer from either capitalistic exploitation and military or other types of bureaucratic elitist "from the top" administrations.

### 4. TOWARD A MORE DEMOCRATIC AND PARTICIPATIVE SOCIETY

When it comes to the institutionalization of the principles above, the party suggests a development which starts from the village, a principle so far ignored. Associated with this principle is a just land reform.

Turkish villages — due to some historical reasons — are extremely scattered and arranged in the form of very small living units (e. g. 40 houses). If we recall that 60 per cent of the population still live in rural areas, it becomes clear how hard it is to bring public services to each village. It is not only economically unfeasible but it is also a waste of other

opportunities. So the R.P.P. is programming to form village-towns (Köykent) in which eventually nearby villages will settle. These villages will not only benefit from services provided to them (roads, schools, mosques, hospitals, electricity, water, etc.) but they will also become economic centres for the marketing of farm products and farm inputs. As well as industries oriented toward farm inputs, those that use farm products as inputs will also be viable. All these transactions can be carried out by cooperatives in which people will actively participate not only in production also in decision-making. Thus, these new self-sufficient village-towns will start the development from the grassroots.

The surpluses created by the agricultural sector and reinvested by the villagers in village-towns will further improve their life. Also the state would direct loans for the same purposes. The immigration problem, which creates ghettos on the outskirts of big cities, will slow down as the opportunities created by the village-towns remove the causes. People will benefit from the advantages of big cities without losing their values which, for the Turkish village as it is for other countries' villages, consist of closeness, sincerity and solidarity. They will not become alienated from their own values and it will be possible to protect them from "individualism" of capitalism.

The R. P. P. is programming the "people's sector" to make up a very large part of the economy. The people's sector is made up of enterprises that are owned by the people and run by democratic management. The "savings" of the main social security institutions, like the social security board which saves all the retirement funds of organized labor in Turkey, and the retirement-office which does the same thing for the white collar workers of the government, will invest their money in democratically-managed enterprises which will primarily produce goods very necessary for the masses.

The workers' companies formed by the workers employed abroad have a history of 13 years in Turkey. A study conducted by the State Planning Organization<sup>7)</sup> on companies with many shareholders (among which the workers' companies constitute the majority and the workers abroad own 90 per cent of the total capital of all these types of enterprises) gives support to the hypothesis that these enterprises are not only democratically managed but also increase total saving, reduce the inflationary pressures, make use of small savings, and tend to reduce disparities between developed and less developed parts of the country. It is very interesting that one of the driving forces for the workers to participate in these enterprises is the aspiration to see a "smoking chimney" in their small towns, which have been ignored for centuries.

State economic enterprises will also be reorganized in such a way that all the employees will participate in decision-making and be rewarded for efficiency.

A new approach is considered for economic planning. Planning will be democratic more than central. People in an organized manner will have an influence on the decisions taken and the strategies suggested by this State Planning Organization.

7) Çok Örtaklı Şirketler, D. P. T., 1975.

Now the socio-economic structure of the country appears very much to fit and support the party programme. The R. P. P. is the largest political party in Turkey but it does not have the majority in the national assembly yet (it needs 12 more seats out of 450 for the absolute majority). This makes it hard to estimate how much of the programme can be applied or initiated within this coalition. What can be said is this: the programme will have the chance for application eventually. The party's votes are expected to continue their increase until the party is given the majority and the chance to apply its programme. Those who believe in democracy have no alternative but to wait for the larger support to come.

The final outcome — if the programme is applied — will be a just, non-exploiting, free, humane social order in which the people govern themselves, a first example of its type. One is more hopeful when one considers the democratic means that are used to arrive at this order.

#### 5. DIFFICULTIES WAITING

The end defined in the above paragraph may not be very easy to arrive at. This section will not analyze the very complex issues to emerge during the process, but rather the simpler difficulties awaiting Ecevit's present government.

Some of these difficulties are of the short-run, created by the recent rightist governments especially in the last three years, the very importance of which is the deficit in the balance of payments. In June 1977, Turkey was announced as "on the edge of bankruptcy." The Central Bank of Turkey had almost run out of foreign exchange reserves. Thus, industries dependent on imported parts and materials were in a crisis. This of course negatively affected the economy as a whole. As it can easily be estimated for a country in this position, IMF people are in Turkey now, as they were six months before the Ecevit government was formed. They are negotiating with the Turkish government for the conditions under which some loans can be provided. Among some of the suggested measures are freezing wages, stopping new investments, and a major devaluation of the Turkish lira, all of which push up inflation, while the inflation itself is another major problem that has constantly plagued the Turkish economy. In the last three years, inflation averaged above 20 per cent a year. This accelerates the pauperization process and worsens the already very unequal income distribution.

Nonetheless, Turkey four years ago had a surplus of 1.5 billion U.S. dollars in its foreign exchange reserves. The remittances of the workers employed in Germany reached about 90 per cent of the value of the total export Turkey could attain in the years 1973—75.<sup>8)</sup>

The previous coalition could not agree on economic policies to adjust the deficit. By no means did they discouraged tourist trips which amounted

<sup>8)</sup> The figures below are from Çok Örtaklı Şirketler, D. P. T. 1975.

	Workers Remittances \$	Export	%
1973	1,183,300,000	1,318,000,000	89.8
1974	1,424,900,000	1,532,200,000	93
1975 (1st 6 months)	471,000,000	637,900,000	73.9

to hundreds of millions of dollars while the economy was seriously in need. They did not encourage investments by the workers employed abroad<sup>9)</sup> and the workers preferred saving their money in foreign banks.<sup>10)</sup>

Ecevit's government has the chance to benefit from workers' saving as this constitutes an important feature of the party's and the government's programmes. Also, Ecevit will be able to benefit from loans offered by friendly governments of Europe which are run by social democrats who maintained good relationships before Ecevit came to power. This will ease the problem of deficit and minimize the effect of the policies suggested by the IMF.

The reactions of the right youth organizations supported by rightist politicians who have lost their hopes for democracy are getting more violent. They want to prove that the new government cannot stop violence or anarchy and that the "authoritative government" (probably of Latin America type) should come.

These are the problems on the Ecevit government's agenda, but none of them are insurmountable. Time and patience are needed on every account.

The problems that are related to the long-run are more serious. Among the very important economic policy measures would be capital management once the available resources start to be channelled to the people's sector.

This is where the secrets of development with high employment and better income distribution hide. Again, an anti-inflationary policy would be very hard to conduct within the existing set-up. An extensive educational campaign, together with very active and viable economic programme must also take place to evaluate the "values" of the old system and raise awareness among the people for a new and more humane order.

<sup>9)</sup> Milliyet, March 29, 1977, an interview made by Furuzan with the workers in Germany emphasizes their willingness to invest their money at home, under a leadership of a trustworthy and worker-oriented government.

<sup>10)</sup> The amount of savings that is deposited in foreign banks is debated to be 6 to 20 billion U.S. dollars, which is incredibly enough for any developmental effort to take place in Turkey (Milliyet, Furuzan and Cumhuriyet, S. A. Yüksel).

## THE ECONOMICS OF WORKERS' MANAGEMENT: THE CHILEAN EXPERIENCE

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### I. INTRODUCTION

This paper summarizes some major findings of our book on worker management of Chilean socialized industry.<sup>1)</sup> During 1973 the authors conducted an extensive survey of 35 randomly-selected manufacturing enterprises, covering the ten industrial divisions of the UN classification scheme and ranging in size from 90 to 1800 employees. The analysis is based on the construction of a relative index of worker participation in management and, through factor analysis and multiple regression analysis with linear functional form, it attempts to examine the structure, antecedents, and performance results of worker self-management in Chile during the Allende years.

### II. THE MODEL OF PARTICIPATION

In August 1973, the socialized sector of Chile's economy comprised approximately 420 enterprises, accounting for upwards of 40 per cent of total industrial output and over 30 per cent of the industrial labour force. According to the *Normas Básicas* of participation, promulgated in June 1971, these socialized enterprises were managed by an administrative council which, in theory, was to be composed of five elected worker representatives, five state-appointed representatives, and one state-appointed administrator. In practice, only a handful of the largest enterprises actually followed this scheme. In the great majority of these enterprises, worker representatives held more than 50 per cent of the seats on the administrative council. Where there was not such outright control, several state representatives were chosen from among the workers of the factory in question. Indeed, in many instances the workers themselves chose their own administrator. Decisions of the council were reviewed and subjected to modification at monthly general assemblies of all workers in the factory.

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1) *Economic Democracy: Workers' Participation in Chilean Industry, 1970-1973*, Academic Press, New York, 1978.