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**Varieties of Communitarianism
in the Cities of Anatolia Region:**

A Comparison of Kayseri, Gaziantep and Eskisehir

by

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A thesis submitted to the Faculty of Graduate
Studies and Research in partial fulfillment of the
requirements of the degree of
Doctor of Philosophy

School of Public Policy and Administration

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Abstract

This dissertation examines the concept of neoliberal communitarianism and its varieties in order to explain the economic success stories of the cities known as Anatolian Tigers. It is portrayed that major driver of the transformation in the Anatolian cities was the rapid industrialization and the opening up to the world market. In this dissertation, the Anatolian Tigers are understood in a broad sense to include the cities of Kayseri, Gaziantep, Corum, Konya, Eskisehir, and Denizli, all of which have demonstrated notable economic performances beginning in the 1980s. Their success and vitality reveal that there is in fact another Turkey beyond Istanbul, one that is not as backward as is commonly assumed.

This dissertation contributes to the existing debates on the changing/transforming political economy of Turkish capitalism, the rescaled nation state in the neoliberal globalization era and the construction of alternative claims for modernity. By situating the rise of Anatolian Tigers in relation to Turkey's secular modernization experience, it shows that the success of the Anatolian Tigers needs to be understood in terms of the way they have drawn on and developed different forms of communitarianism to try to embed their export oriented economic growth projects.

In this context, local institutional characteristics, cultural codes, religions and other non-secular forms of organization have been deployed for the sake of local economic development. It is shown that urban growth coalitions in these cities were the primary force behind their economic dynamism and more importantly, were the entities that established the basis of communitarianism, which in turn mobilized collective interest in the cities and embedded local economic projects in social and cultural structures.

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Thanks to my real friends, you are in my heart...and I cannot name each of you here, but if you have a moment of grin when you read this, it means that you are one of them...

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~ to the memory of my father, Kamil Tuncer Tok (1950-2008), who always believed in me...

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Chapter I

Introduction

“There is a village somewhere out there. It is our village. Though we won’t go, though we won’t see, it is still our village”.¹ These lyrics, and their dramatic melody, have been sung by children in Turkey for generations and are often invoked metaphorically in political discussions. As Yazici Yakin points out, the invisible village refers to the Anatolia region and the lyrics highlight the often forgotten, downgraded and inferior status of Anatolia (2007). This song brings to the fore a longstanding paradox in Turkey as Istanbul and Anatolia have always been perceived as different worlds in Turkish social and political arenas. Some of their differences can be traced to the fact that while the former has been traditionally characterized by economic dynamism, an urban secular bourgeoisie and a relatively high standard of living, the latter is known for its backwardness, rurality and agrarian population (Yazici Yakin 2007). Although this duality has existed for some time in Turkish movies, popular media and even academia, things are beginning to change for Anatolia. Consequently, the lyrics of the popular children’s song are becoming less relevant.

¹ Original: *Orda bir köy var uzakta, o köy bizim köyümüzdür, gitmesek de, görmesek de, o köy bizim köyümüzdür.*

The village out there, that “we do not go and we do not see,” is increasingly the focal point of international attention and national praise for the variety of local economic success stories it has fostered. This dissertation focuses on the historically “invisible” but now increasingly “visible” geographies of Anatolia and the reasons for this visibility. It contributes to debates that seek to understand the largely economic transformation that occurred in Anatolia throughout the 1990s and 2000s. One major driver of this transformation was the rapid industrialization of the Anatolian Tigers and their opening up to the world market. In this dissertation, the Anatolian Tigers are understood in a broad sense to include the cities of Kayseri, Gaziantep, Corum, Konya, Eskisehir, and Denizli, all of which have demonstrated notable economic performances beginning in the 1980s. Their success and vitality reveal that there is in fact another Turkey beyond Istanbul, one that is not as backward as is commonly assumed.

The emergence of the Anatolian Tigers as new loci of economic growth and dynamism occurred at a time when the Turkish economy, society and political life were increasingly subject to outside influence. The post-1980s period in Turkey is often characterized by the expansion of globalization, Europeanization and the implementation of market-centered reforms. The Turgut Ozal government (1983-1989), which eliminated barriers to liberalized trade and capital movement, signaled a new phase for the Turkish economy. This phase included increased exposure to global trade and financial flows, increased investment opportunities and increased awareness of new markets and other global opportunities. Anatolian capitalists, rendered the “losers” in the earlier state-administered import

substitution era, began to recognize and take advantage of these opportunities. At the same time the signing of the Customs Union agreement with the EU, which (1996) opened up direct trade between Anatolian capitalists and EU countries, rendering the European Union, associated processes of Europeanization, and the impacts of globalization and pro-market reforms, all more visible. Alongside the emergence of these global economic processes and opportunities, the state's role in the economy as a regulator was reduced, and different economic groups, especially the Anatolian bourgeoisie, were able to realize their visions of greater prosperity.

In this dissertation, I use the term neoliberal globalization although I acknowledge that it remains a contested concept. I use it to refer specifically to free market-oriented economic integration and exposure to the processes of globalization. I thus consider the neoliberalization of Turkey and the Anatolian Tigers to include the increasing dominance of open, competitive, and unregulated markets. Neoliberalization, however, should not only be understood as total retreat of the nation state in policy-making processes. Brenner and Theodore state that neoliberalization consists of various political economic practices that travel between different scales, such as the deregulation of state control over major industries, assaults on organized labor, the reduction of corporate taxes, the shrinking and/or privatization of public services, the enhancement of international capital mobility and the intensification of interlocality competition (2002: 350). More broadly they argue that while neoliberal ideology criticizes state intervention, actual neoliberal policies and practices involve "coercive, disciplinary forms of state intervention in order to impose market rule upon all aspects of social life" (2002: 5).

Hence, while deregulation of nation state control takes place in many policy areas, new forms of state involvement emerge as well.

Building on Peck and Tickell's notions about "roll out" and "roll back" neoliberalism, one can diagnose neoliberalism's ongoing dynamic of discursive adjustment, policy learning, and institutional reflexivity (Peck and Tickell 2002). While roll-back neoliberalism referred to efforts to eliminate the institutions and policies of the post-war welfare state and as this process advanced, it generated its own contradictions and illogics that required containment and redirection (Graefe 2009). The roll-out phase envisioned neoliberalism in 'more socially interventionist and ameliorative forms, in order to regulate, discipline and contain 'those marginalized or dispossessed by the neoliberalization of the 1980s' (Graefe 2009). Thus, during the course of 1990s, the second phase of roll-out neoliberalism aimed to stabilize or further embed neoliberalism through the introduction of new institutions, policies and forms of state action.

Peck and Tickell also illustrated that analyses of neoliberalization must be sensitive to its contingent nature, hence the nontrivial differences, both theoretically and politically, between the actually existing neoliberalisms (2002: 383). We can infer from Peck and Tickell that there exists variation among the neoliberal experiences of different nations, as well as across cities. The contradictions emanating from the neoliberal experiences vary across cities and regions. The forces of neoliberalization, albeit employ similar policy measures across different institutional domains, do not end up with convergence (383). Hence, despite

convergence in many ways, there is also a considerable level of divergence among local neoliberal experiences. In understanding neoliberalization, we draw two lessons from Peck and Tickell's work. First, neoliberalism as a process does not have a specific pre-ordained pattern that could be extrapolated to various policy domains. Different localities define their own neoliberalization processes and experience it differently. Secondly, a nation state's role in neoliberalization takes multiple forms, and in Peck and Tickell's perspective, these forms are not only rolling-back phases, but a combination of rolling-back and rolling-out, as well.

The increasing liberalization and globalization of the Turkish economy. In other words the 'roll-back' stage described by Peck and Tickell, has been initiated by national policy changes, as evidenced by the stark shift from an Import Substituting Industrializing Strategy (ISI) to an Export Oriented Growth Strategy, which commenced with the January 24th decisions in 1980. This nation-state led policy change had significant consequences for the cities of Anatolia as they were able to nurture their export base and reach new international markets. At the same time, increasing decentralization efforts, again initiated by the nation state, granted municipal governments larger resources and greater responsibilities. Thus local actors in the Anatolian cities increasingly had recourse to market based practices benefiting more from the market-based instruments of re-zoning urban land, opening up new land for commodification to increase their tax base. These benefits were rendered feasible through changes to national laws and regulations. Similar to the "roll-back" stage, Turkey's roll-out stage entailed state involvement. This time, however, local municipal administrations equipped with higher responsibilities and

quasi-state organizations - such as the chambers of trade and industry - engaged in local communitarian efforts to better position the growth coalitions in the globalization process. The roll-out phase of neoliberalism therefore involved new forms of state action, especially new institutional actors who pursued market oriented reforms and practices in the cities, but also engaged in a communitarian effort to embed their growth projects and lessen the negative repercussions of globalizing local economies on certain social groups. This communitarian effort is best understood in Peck and Tickell's perspective as an indication of deliberate stretching of the neoliberal policy practices to embrace a range of non-market forms of governance and regulation including the selective appropriation of "community" (2002: 390).

It should also be noted that the process of globalization especially factored into the dynamics of roll-out neoliberalism by introducing new actors to cooperate, such as foreign chambers of commerce and industry; foreign municipalities and twin city projects; supranational bodies such as the European Union which especially provided new financial and technical resources in helping local entrepreneurs to become better equipped with their globalization efforts, and the nation-state, which sought to intervene into the globalization process by engendering new policy measures especially through the modifications in the National Incentive Mechanism that attempted to channel resources to local governments and capitalists to counter balance the uneven spatial and economic development tendencies of globalization.

In this dissertation, neoliberalization is seen neither as a purely national nor a purely local process. Rather, national and local scales in Turkey's neoliberal globalization experience are intermingled and interrelated. Hence, I agree with Brenner and Theodore's argument that the contextual embeddedness of neoliberal restructuring projects has been produced within national, regional, and local contexts defined by the legacies of inherited institutional frameworks, policy regimes, regulatory practices, and political struggles (2002: 351). Market-oriented restructuring projects in the cities of Anatolia build on past social and economic regulatory frameworks and institutions. Market-based projects therefore do not demolish already established forms, but articulate with them. As we will see in subsequent chapters, market-oriented projects need these societal forms, cultural assets and local manifestations of embeddedness to further implement market-based reforms. In other words, in analyzing the increasingly dominant forms of commercialization, marketization and privatization, we must take into account the changing economic and political spaces that reflect local, regional and national struggles and negotiations. The Anatolian Tigers benefited from these political and economic spaces, whose parameters were defined by market forces as well as by local actors, specifically the urban growth coalitions. In this context then, the economic success stories of the Anatolian Tigers cannot be understood as spontaneous local responses to global market forces. While the Anatolian Tigers benefited significantly from the processes of globalization and Europeanization, the role of local actors and local cultural factors were critical to the gains made by Anatolian capitalists.

The emergence of Anatolian Tigers brings our attention a variety of resemblances with the Asian Tigers as it is possible to draw analogies between the stories of the Anatolian cities and the economic development experiences of the South Asian economies, such as Hong Kong, South Korea, Taiwan and Singapore. It should not be seen a surprise that Anatolian cities are granted their “tiger” status through the commonalities they portray with the Asian Tigers. The major resemblance that one can diagnose pertains to the key economic actors who operate not as a liberal self but both as the members of an organic community striving for recognition and as communitarian citizens (Ong, 1999). This model of development is communitarian in the sense that it privileges development over individual rights and freedoms, organic community over diversity and pluralism, and traditional values and mores over liberal and individualist life-styles. Communitarianism therefore could be seen in the form of a citizenship, but unlike a model based on liberal rights based Western style, it could be based on a responsive and caring community.

Introduction of market-based policies thus takes place through a communitarian capacity, and market-based reforms are mediated and articulated through the existence of a capable community. Both in the Anatolian Tigers and Asian Tigers, one can diagnose the active efforts of the communitarian mindsets to negotiate new relations with (global) capital without giving up their traditions and cultural differences (Keyman and Koyuncu, 2005: 123). In this respect, communitarian projects are constructed as a result of the articulation of the global with the local (Keyman and Koyuncu, 2005: 123).

Another analogy could be drawn by taking into account the major source of economic dynamism. In both Anatolian Tigers and Asian Tigers, rising production capacities and emphasis on exporting rather than financial capital could be seen as a crucial commonality. Along with commonalities, it is also equally important to note that there are significant structural differences between the two sets of economic development stories especially in terms of the role of state support and guidance, existence of an influential industrial policy and high levels of savings.

Questions of “how to understand the success stories of the Anatolian Tigers,” have generated debate not only in Turkey, but around the world. A report published by the European Stability Initiative (ESI) in Berlin, “Islamic Calvinism: Change and Conservatism in Central Anatolia,” focused international attention on Islamic entrepreneurs in Kayseri. It claimed that the growth of industrial centers in Anatolia could be attributed to the co-existence of Islamic life and the capitalist ethos. This co-existence of Islam and capitalism was thus deemed an important driver of the Anatolian Tigers.

Academic studies, which have contributed to this debate by putting the Islam-capitalism co-existence at the center, often bring a class-based analysis to the topic (Demir *et al*, 2004; Adas 2006, 2008; Atasoy 2005; Yavuz 2004; Gunter and Yavuz 2004; Kosebalaban 2004). These studies portray the success of Anatolian cities as an effect of a new Islamic bourgeoisie challenging the dominant secular historical bloc. They argue that understanding the political choices, economic motivations and

class-consciousness of this new bourgeoisie is necessary to understanding the Anatolian Tigers.

Other studies have focused more on the organizational capacity and institutionalized forms of interest representation of the new Anatolian entrepreneurs. These studies have investigated the institutional and organizational manifestations of the Islamist elites, arguing that, rather than their class-consciousness, it is their concerted mobilization against TUSIAD that explains their dynamism. Many of these studies have compared TUSIAD, the representative of Istanbul and Ankara-based secular business people and industrialists, with MUSIAD, the organization representing conservative Islamist (mostly Anatolian bourgeoisie) entrepreneurs (Bugra 1997, 1998, 1999, 2002, 2005; Onis and Turem 2001, 2002; Cemrek 2002; Ozdemir 2004, 2006). According to these studies, as a national umbrella organization with branches across the country defending Anatolian conservative interests, MUSIAD has been critical in collectivizing interests, orienting Anatolian entrepreneurs to export markets and providing an important informal support mechanism. The success of the Anatolian Tigers was thus largely a result of their MUSIAD membership and collective action.

Two influential and critical studies have enriched the debate surrounding the success of the Anatolian Tigers. Keyman and Koyuncu (2005) and Bayirbag (2007, 2009) contend that TUSIAD-MUSIAD comparisons ignored local actors, such as the SIADs. Bayirbag's empirical study of the city of Gaziantep examined the local political activism of SIADs and the interscalar strategies of the local bourgeoisie, and

credited these processes with the emergence of local accumulation strategies. Keyman and Koyuncu compared TUSIAD, MUSIAD and city-based SIADs in terms of their societal visions, institutional strategies, and discourses arguing that the latter organizations constituted alternative modernities, different modes of modernity that are not mere replicas of Western modernity. In addition to being alternatives to Western modernity, these modernities are alternatives to, and differ from, each other as there is no singular alternative modernity (Dogruoz, 2008).

While the studies focused on the emergence of a new conservative bourgeoisie with strong Islamic attachments and those focused on organizations of interest representation have insights to offer, they also encounter certain pitfalls. The former literature fails to explain cities with conservative Islamist populations (like Kayseri), which have not achieved the organizational and institutional capacity needed to create vibrant commercial and industrial bases. Moreover, these studies fail to take account of the fact that the burgeoning entrepreneurial class does not exhibit uniform characteristics across all Anatolian cities. There are cities such as Eskisehir in which Islamic conservatism was notably absent among successful entrepreneurs, although other forms of communitarianism did exist. The studies focused on interest representation organizations largely ignored urban scale dynamics, especially in contextualizing interest representing organizations among the other social, cultural and economic dynamics that cultivate local agency.

The major research question of this dissertation is two fold. First, it attempts to answer how Anatolian Tigers were able establish unprecedented economic

growth and urban transformation in the post-1980s period. Hence, this dimension initially aspires to understand the dynamics behind the emergence of Anatolian Tigers. Second, the dissertation aims to explain why the city based economic success stories differed in terms of their paths to economic development. The latter dimension therefore seeks to explain the varieties of Anatolian Tigers. This dissertation approaches these research questions by focusing on an often-ignored dimension of the Anatolian Tigers: varieties of communitarianism that are primarily instituted through socially and culturally embedded urban growth coalitions. By analyzing urban growth coalitions and their communitarian orientation, the thesis of this dissertation argues that the success of the Anatolian Tigers needs to be understood in terms of the way Tigers have drawn on and developed different forms of communitarianism to embed their neoliberal projects.

In this dissertation, each of the three cities that I focus on represents a different variety of communitarianism. While Kayseri depicts Islamic capitalism as an overarching motivation and source of collective action for local actors, Gaziantep and Eskisehir demonstrate other inheritances that produce the many contradictions of economic growth. Eskisehir can be seen as embracing a social democratic adaptation to the ecological domination of neoliberalism, whereas Gaziantep shows that the legacy of the War of Independence and the city's role in this war has carried significant nationalistic tendencies and secular ideals; tendencies and ideals that have been particularly challenged but also changed in the 1990s and 2000s.

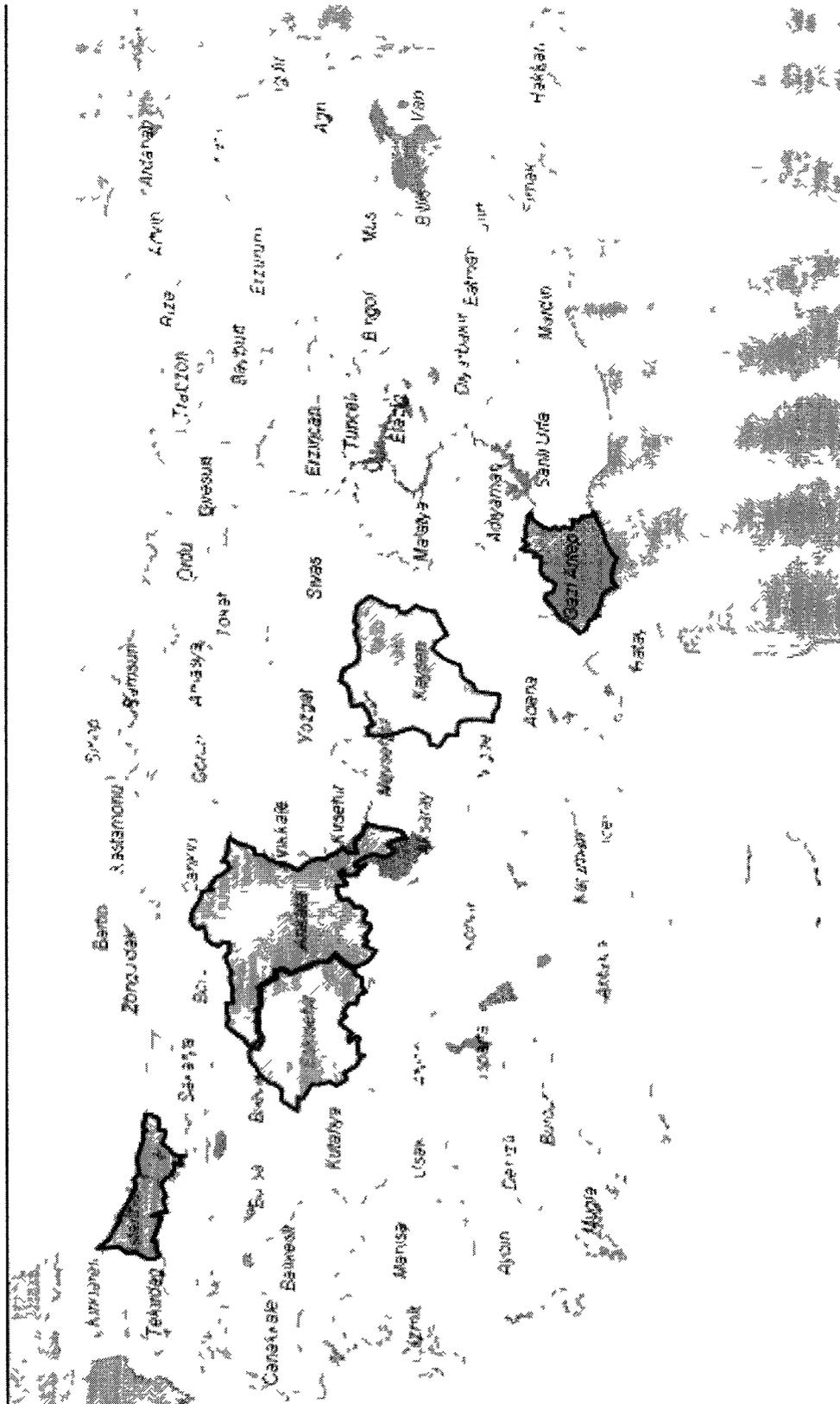
Kayseri, Gaziantep and Eskisehir were chosen as case studies in order to show that the Anatolian Tigers have indeed drawn on various communitarian values to embed their export oriented economic growth projects. In Turkey, there are 81 cities, 77 of which are in the Anatolian region. Among these 77 cities, 13 to 15 can be considered “Tigers.” This dissertation chose to focus on Kayseri, Gaziantep and Eskisehir both because they were among the earlier Tigers, whose economic success dates back to the beginning of 1990s, and because they present varying articulations of culture and economy. These three cities are assumed to reflect the diversity of the institutional embeddedness of urban growth coalitions and their socio-cultural representations in other Anatolian cities.

Map 1.1 shows the location of Kayseri, Gaziantep and Eskisehir (highlighted in red) relative to Istanbul, the historical capital and the largest metropolitan center of Turkey, and Ankara, the official capital city of modern Turkey, both of which are highlighted in blue. Map 1.2, Map 1.3 and Map 1.4 illustrate the geographical boundaries and administrative districts of these cities. Table 1.1 provides key background information on the population, urbanization and geographic characteristics of each city.

**Table 1.1: Population, Urbanization and Geographic Statistics for Kayseri,
Eskisehir and Gaziantep**

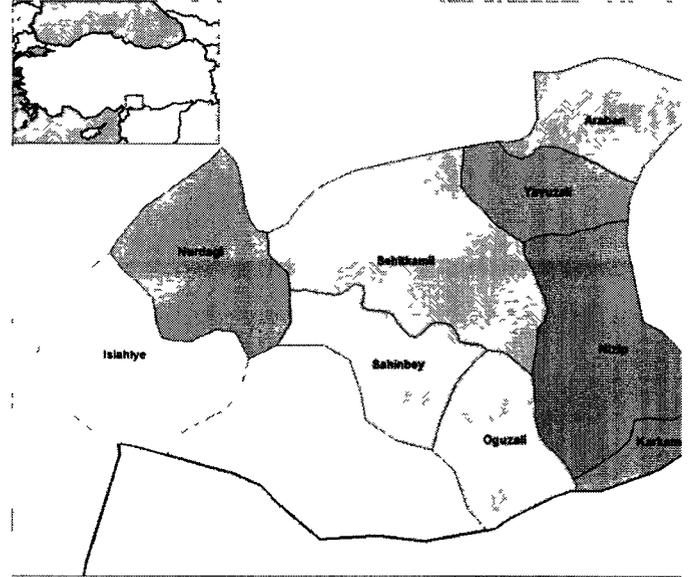
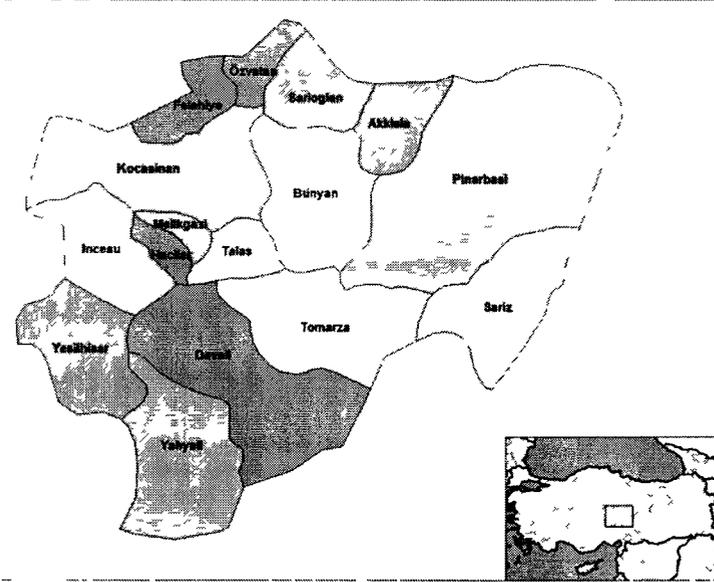
	Population (1000)			Urban Population (%)			Area (Km ²)
	1990	2000	2010	1990	2000	2010	
Kayseri	944	1060	1205	64	70	85	17.045
Gaziantep	1.000	1.450	1.900	69	74	89	7.642
Eskisehir	641	700	790	74	82	91	13.653

Map 1.1 Relative Location of the Anatolian Tigers vis-à-vis Istanbul and Ankara

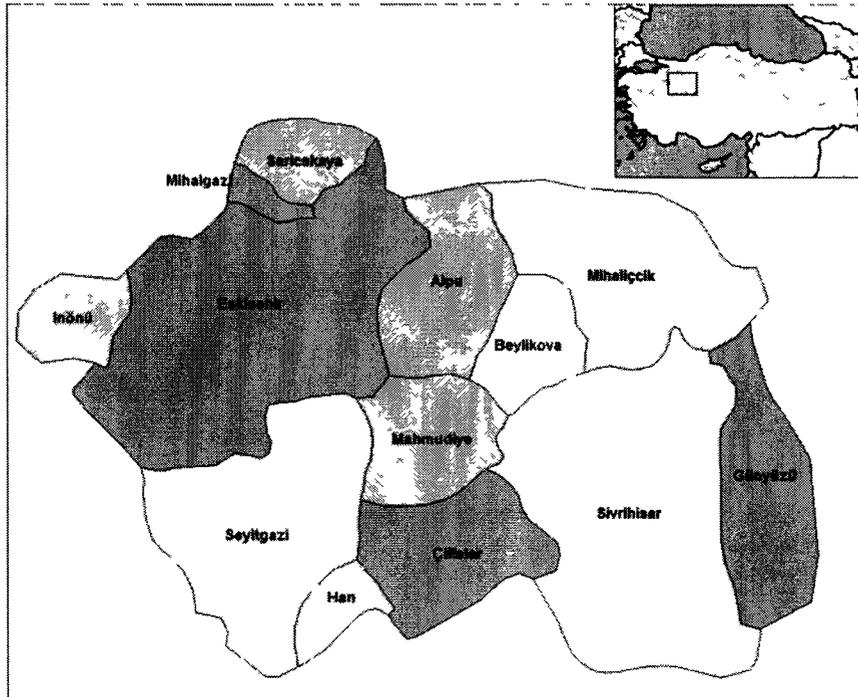


Map 1.2 Kayseri

Map 1.3 Gaziantep



Map 1.4 Eskisehir



1.1 Key Concepts

In this dissertation, communitarianism refers to the ways in which growth oriented policies can be implemented through the mobilization of communitarian values and discourses. This concept suggests that market-based policies and practices can be put into action, or embedded, through recourse to a communitarian logic, articulated by and associated with municipalities, locally prominent families, chambers of commerce and industry, business associations, workers, unions, and universities. This concept does not imply that communities passively internalize entrepreneurial mind sets, but rather that communities are active proponents of economic growth-oriented policies. At first glance, this might seem like a paradox, in the sense that market-based logic and communitarian priorities are generally understood in opposition to each other.

It should be noted from the outset that this is not a thesis about communitarianism. Rather, I use the concept to highlight communitarian norms and values to contextualize neoliberalism in the cities of Anatolia. Communitarianism highlights the importance of “community” at the urban scale. In this context, community includes a variety of economic and non-economic actors, such as civil society groups, business and entrepreneurial associations, chambers of

industry/trade/commerce, municipalities, prominent local conservative families, workers and key urban leaders. Communitarian understandings recognize the embedded nature of individual actors in particular historical and community contexts. Communitarian efforts to embed urban growth projects include the non-market cooperation and coordination that transpires between social actors in the realms of both production and reproduction. The community becomes a source of mitigation and mediates market competition by building alliances and linkages among different urban groups. Communitarianism, however, should not be understood merely as a mechanism initiated to compensate for the potential societal problems that result from the implementation of market based reforms, liberal trade policies and the opening up of the Turkish economy.

Communitarian efforts promote the embedding of market centered reforms, and in turn, the opening up of the national economy in Anatolian cities is seen an opportunity for communities to break the historical chains of the center-periphery duality. As such, it is critical to investigate how the community is mobilized, the kind of social capital needed for the formation of a communitarianism that is articulated to local institutional assets, and how this communitarianism is utilized to sustain the local economic development that is the basis of the economic success of the Anatolian Tigers.² It should be noted that communitarianism plays different roles in different Anatolian cities. While in Kayseri and Gaziantep communitarianism

² In the Anatolian cities, globalization and Europeanization are discussed as the primary exogenous forces that shaped the above-mentioned process by increasing the possibilities of new markets, new organizational collaborations via chambers of commerce/industry, and municipalities of other foreign cities, reaching international financial intermediaries for credit, benefiting from the European Union's funds and expertise, etc.

embraces certain undemocratic practices, especially when the relations between capitalists and workers are taken into account, and is closely intertwined with religion, conservatism and traditionalism, in Eskisehir, communitarianism has more democratic manifestations especially in the city's actors who are also the carriers of social democracy.

Communitarianism and Anatolian varieties are examined in this dissertation via two related key concepts: urban growth coalitions and forms of embeddedness. Urban growth coalitions draw attention to the consensus forged among different city-based actors, in this case, the actors behind the making of communitarianism. The forging of an urban growth coalition, composed of leading community members, does not guarantee that each member is rendered better off by the process. In other words, in the cities of Anatolia urban growth coalitions involve power asymmetries and not all members benefit equally from the resulting economic growth. Despite their varying benefits, urban growth coalitions continue to define and contribute to the "common good" (most often, understood as economic growth). Within these coalitions, the interlinkages and interconnectivities between different local actors are sustained according to the ways in which urban growth coalitions are embedded in local social/cultural contexts. Hence the existence of urban growth coalitions is a necessary condition for the economic success of the Anatolian Tigers, but it is not a sufficient one. Closely related to urban growth coalitions in terms of fostering the success stories of the Tigers are forms of embeddedness, or the mechanisms that embed economic projects in local contexts.

In the cities of Anatolia, the embeddedness of communitarian projects in the socio-historical and cultural institutions of each locality enables the orchestration of communitarian efforts. The nature of this embeddedness varies among the cities. In this dissertation, the three Anatolian cities under study show that embeddedness can assume different territorial, social and network forms. These different forms of embeddedness can exist simultaneously in cities, albeit in varying intensities. In certain contexts, religion operates as a strong mechanism of social embeddedness helping actors to collaborate and coordinate their efforts. In other contexts, territorial attachments guide actors' strategies, while in yet other places, the very networks formed around different actors constitute the core coordination and mobilization mechanism and thus determine the nature of the embeddedness and the ways in which neoliberal projects are embedded.

1.2 Methodology

The research for this dissertation has employed multiple research strategies:

1. The first strategy involved reviewing the ten most widely read Turkish national newspapers and magazines for the period 1990 to 2010. The purpose of this review was to determine how the successful economic performances of the Anatolian cities were portrayed in the national media. This strategy enhanced my understanding of the varieties of communitarianism that I have identified in this study, and provided me with the opportunity to compare the way that I identified and categorized different variations, as well as to appreciate important overlaps among the Tigers. The national newspapers and magazines reviewed included the *Dunya*, *Milliyet*,

Hurriyet, Sabah, Zaman, Yeni Safak, Radikal, Referans, Kapital, Platin, Ekonometri, KobiEfor, Business News Turkey and *Newsweek Turkey*. Some of these national newspapers, such as *Referans* and *Dunya*, specialize in economic reporting and analysis. From these ten publications, I gathered articles, opinions and other contributions, and used them to uncover the ways that the rising Anatolian cities were depicted in the national media, which is predominantly owned and controlled by Istanbul-based secular elites. Reviewing these media sources was crucial in tracking the concept of the Anatolian Tigers; in other words, how it is communicated to and understood by the public.

2. The second strategy involved reviewing three to four local newspapers (the total number published in each city) for the same time period in Kayseri, Gaziantep and Eskisehir, which helped me to compare local and national discourses. The difficulty encountered in this approach was that most local newspapers had neither proper archives, nor online search options. Hence, my review necessarily relied upon the issues I was able to gather which were largely restricted to the late 1990s and 2000s. For the most part these papers were owned by local entrepreneurs and locally prominent families and were thus rich sources for understanding how local growth projects have been communicated to the local public by local media. I compared these publications and perspectives with the national ones, which helped to situate local dynamics within a more complete framework. The local sources were also useful in capturing certain power dynamics not covered by national sources. Unlike local newspapers, the national newspapers tended to portray the locality as a unity. Although this is partially correct, it is also important to take note

of the power struggles and asymmetries between local actors, which in turn lead different local newspapers to produce different stories about the same issue. Sometimes, problems between a municipality and a civil society organization, or a municipality and a specific family holding or SME (Small and Medium Enterprises) can generate considerable and insightful local discussion that is not picked up by national media. Likewise, different local actors often have different perspectives on important external processes such as globalization and Europeanization. Local sources were thus consulted to capture and portray these local dynamics, power struggles and institutional/organizational discrepancies.

3. In the third strategy, the official publications of municipalities, chambers of commerce and industry and partner organizations (local offices of European Union Business Development Centers, European Union Info Offices, Eurofer, EKOSEP, and university research centers) were reviewed. These publications bring to light the discourses, perceptions and strategies of different actors, and provide insight into their institutional identities and goals. These publications were also crucial in understanding what kind of city local actors in each municipality envision.

4. The fourth research strategy entailed assessing statistical data from the State Institute of Statistics (SIS), the State Planning Organization (SPO), and several municipal websites in order to compile data on export volumes and other indicators of economic growth and success. As of 2001, the State Institute of Statistics stopped publishing city-based economic indicators. Thus the only means for accessing city-based data was through local organizations such as chambers, and in some cities

through greater metropolitan municipalities. City-based social and economic indicators (unemployment, informal labor levels, export levels, and city-based GDP growth) have helped to build a socio-economic profile of the three cities studied. This data also enabled comparisons between cities and vis-à-vis national performance levels.

5. Finally, semi-structured, in-depth interviews were conducted with municipal officials, representatives of chambers of commerce and industry, free trade zone administrators, organized industrial zone administrators and leading entrepreneurs. These interviews aimed to grasp the lived everyday meanings and experiences of key actors in the three Anatolian cities and provided important insights into the way growth coalitions utilize local cultural characteristics. Interviews also provided a rich understanding of how the entrepreneurial class and urban growth coalitions see themselves and conceive of what they have been doing. Around the same time, surveys were also conducted in each city in different organizational settings. In this dissertation these interviews and surveys are primarily used to offer evidence of the claim that the economic success of the three Anatolian Tigers needs to be understood in terms of the way they have drawn on, developed and embedded their projects in different forms of communitarianism. Interviews and surveys were thus both used to triangulate the variegated characterization of the cases under different themes: Kayseri with Islamic tendencies, Gaziantep with nationalist tendencies and Eskisehir with social democratic tendencies.

In each city, approximately twelve in-depth interviews were conducted. Interviews took place in the official work places of the interviewees. After briefly discussing the research and the scope of the dissertation, I acquired consent from the interviewees to record the interview. All interviews, except those with GESIAD, a business association in Kayseri, have been digitally recorded. The GESIAD interviewee did not consent to being recorded, however, detailed notes were taken during the interview for future reference. Each interview lasted approximately 30 to 45 minutes and was later transcribed in Turkish. The interviews consisted of open-ended questions, which allowed me to create a conversational interaction with interviewees and helped me to explore other dimensions that weren't necessarily addressed by the initial questions. Interviews were partially funded by Carleton University Faculty of Graduate Research and Studies and the Center for European Studies at Carleton University.

Interviewees were selected using targeted and snowball sampling methods. Interviewee selection was initially purposeful because in all cities the initial contact was the chamber of industry or commerce. These organizations have been the focal point of urban growth coalitions, including the efforts of leading entrepreneurs and family holdings in each city, and so were a logical and fruitful starting point. These organizations also have close connections with their respective municipalities. While the chambers of industry are the main bodies supervising organized industrial zones, the chambers of commerce supervise free trade zones; beginning in each city with the chambers enabled me to eventually speak with representatives of these spatial units as well as to reach other critical figures and networks. After

meetings with the chambers of industry and commerce, subsequent interviews followed the snowball sampling technique given that chamber representatives arranged/oriented these later interviews.

Surveys were administered in each city so as to make reliable comparisons among communitarianism's different forms of institutional embeddedness and to delineate the role of culture in empowering the urban growth coalitions. The surveys, comprised of eighteen questions, pertained to the analytical categories of institutional embeddedness: social/cultural embeddedness, network embeddedness and territorial embeddedness. For each category, five to seven questions were designed with the intention of generating data for comparing the role of the different forms of embeddedness. The survey employed a structured, rather than random sampling method and as such readers should take into account the distribution of questionnaires among target organizations. Due to time and budget constraints, ten to fifteen copies of the questionnaires were given to a volunteer in each organization (i.e. company, chamber, and industrial zones) visited in each city. In most cases, the volunteer was one of the interviewees. Paper copies of the survey results were returned one and a half months after they were initially dropped off.³

It is assumed that the questionnaires were distributed in a neutral manner, but it is most likely that they were distributed to people in managerial positions and so reflect their perspective more than other social and economic groups. On the one

³ The volunteers strongly emphasized that the copies should be destroyed afterwards. This was a reasonable demand given that some of the questions pertained to their private everyday lives and their official capacity, and respondents did not want to jeopardize their institutional title and status.

hand, this might be seen as a disadvantage in that it limits the range of respondents to those with considerable organizational capacity and responsibility. On the other hand, as with the interviews, the survey allows for comparisons between different forms of embeddedness among different cities. It also aids in making comparisons among different organizations in the same city. This is critical as it provides us with insights into the nature of urban growth coalitions and the existence of institutional conflicts and struggles of representation.

1.3 Chapter Outlines

Chapter 2 develops the theoretical arguments of this dissertation with a focus on the concept of communitarianism and its varieties. This chapter begins with a survey alternative theoretical explanations in existing literature, showing that the role of urban growth coalitions and the strategies they devise to embed their market-based strategies is largely ignored. The chapter situates the formation of urban growth coalitions within an era of state rescaling and neoliberal globalization. It suggests that the transformation brought about by deregulation, liberalization and decentralization paved the way for the collectivization of local resources by urban growth coalitions. It is subsequently argued that the rise of the Anatolian Tigers was made possible through the formation of urban growth coalitions, which in turn were facilitated by an ability to embed economic projects in local social and cultural

structures. This chapter examines how these embeddings take place by identifying three forms of embeddedness: societal/cultural, territorial and network. These three forms constitute a great deal of the institutional variation among cities and their socio-spatial manifestations in urban settings.

Chapter 3 provides the historical context of the emergence of the Anatolian Tigers. This chapter begins with a description of the historical foundations of Turkey's secular modernization project dating back to the 1920s. It highlights the political economy of state-capital relations, which privileged Istanbul-based capitalists and helped forge a state sponsored secular bourgeoisie in contrast to the largely Islamist non-state sponsored Anatolian bourgeoisie. This chapter brings to the thesis a re-reading of Serif Mardin's center-periphery approach, which has often been employed to explain the backwardness of Anatolia. This chapter then examines the new power dynamics and an assessment of the new urban actors who have created modernity claims that challenge the historically dominant secular Kemalist paradigm.

Chapter 4 introduces the three cities. This chapter aims to build a socio-economic and cultural picture of the three Anatolian cities. This resulting picture contributes to the thesis by providing an analysis of how internal and external factors have affected the bases of the Anatolian cities, their claims for alternative modernities, and the foundations of their economic success.

Chapter 5 builds on the previous three chapters. By returning to the forms of embeddedness discussed in Chapter 2 and the actors examined in Chapter 3, this

chapter analyzes how different forms of embeddedness have shaped local economic and social actors' initiatives to establish intersolidarity and interdependence and engender a communitarian mindset for the sake of collectivizing resources. It shows that local actors and their embeddedness very often take advantage of the socio-economic bases and historical-cultural characteristics of the cities. This chapter benefits considerably from the surveys and interviews conducted in each city. By presenting the different forms of institutional embeddedness and their societal manifestations as conditioned by local socio-economic characteristics and cultural practices, this chapter contributes to our understanding of how urban growth coalitions excavate local resources as well as how they embed their projects.

Chapter 6 completes the study with a more detailed analysis of the dynamics of the urban scale in each city, which in turn offer insights into their varying urbanization experiences. By focusing on municipal administrations and other actors in the growth coalitions, this chapter provides an analysis of the spatial dynamics generated therein. This chapter contends that these spatial dynamics envision and result in different urban fortunes in the cities of Anatolia and that they are not isolated from the institutional characteristics of the various forms of embeddedness presented in earlier chapters.

Chapter Two

Theoretical Background

2.1 Introduction

This chapter presents the theoretical framework of the dissertation. It begins with a discussion of alternative approaches to understanding the economic success of the Anatolian Tigers. It argues that to see the Anatolian Tigers as simply the resurgence of Islamic capitalists or as a new conservative entrepreneurial form benefiting from increasing organizational capacities, fails to grasp the whole picture. Through a focus on communitarianism literature, this chapter attempts to elaborate on the rise of the Anatolian Tigers as reflecting or resulting from the adoption of different varieties of communitarianism. This chapter shows that varieties of communitarianism have two dimensions: spatial and cultural. The spatial dimension provides crucial insights into the role of urban growth coalitions in the cities of Anatolia and helps us to better understand the Tigers' formation of collective agency as historically and socially embedded systems that introduce new urban governance models. Actors in these new governance experiences and the partnerships and coalitions that exist therein act in accordance with their social and cultural embeddedness and contribute to the common good in a communitarian fashion. It is here that the cultural dimension is introduced and operates as a way of embedding urban growth coalitions in local social and cultural structures. The role of local culture is studied in tandem with structural changes in Turkey's modernization experience. This chapter stresses the importance of the different forms of

communitarianism used by urban growth coalitions, and suggests that communitarianism is a diverse phenomenon. As such the rise of Anatolian cities should be studied in a way that acknowledges these important variations.

2.2 Explaining the Rise of the Anatolian Tigers

I have identified three main theoretical accounts in the existing literature that attempt to explain the “success” stories of the Anatolian Tigers as city-based economic development “miracles.” These accounts can be characterized by their perspective on socio-economic and institutional change in local urban settings. While the first approach attempts to explain the rise of the Tigers through city-based organizational capacities crystallized in key business organizations, The second and most dominant approach aims to capture the success of Anatolian cities through the role of religion-based (Islamic) ties and networks. The third approach considers the rise of Anatolian Tigers to be related to a shift from Turkey’s historically dominant secular modernity towards alternative modernities. As will be shown, the second and third approaches are closely related given that the rise of Islamic identity and the increasing visibility of conservative beliefs and discourses are seen as alternative modernities, though the “alternative” in alternative modernities is not limited to an Islamic revival that challenges the secular modernization of Turkey.

2.2.1 Post-Fordism, Flexible Specialization and the Anatolian Tigers

On the causes of the global economic crisis of the 1970s, there is a vast literature.

The theories of the new production model in the 1980s that gave rise to the theories on flexible specialization are of concern here. Amongst such theories, Piore and Sabel's work "The Second Industrial Divide" that emphasizes the role of the change in production model in the new global economy has a distinguished importance. They propose that the current account crisis of advanced economies in the 1970s was a function of the limits of the Fordist mass production model of industrial development. In other words, they examined today's changes in industry by distinguishing mass production and flexible specialization. According to Piore and Sabel, the divide caused a choice between flexible production (craft-based production) and multinational Keynesianism (revived mass production) to respond to differentiated market demand flexibility is necessary (Satoglu, 2008).

The first set of studies attempts to explain the emergence of the Anatolian Tigers in relation to the organizational capacities they have developed since the 1980s. Hence, explaining the rise of the Anatolian Tigers from this perspective becomes an issue of explaining the formation of organizational capacities. These capacities and the structural changes in the global capitalist system that enabled their formation constitute a key area of interest. More broadly, these studies are generally located within a theoretical perspective that highlights the break from Fordist to Post-Fordist production models favoring mass production, standardization and rigidity have been replaced by flexible production methods that enable adaptation to rapid changes in competitive markets (Satoglu 2008). The spatial, technological and organizational restructuring of the industrial production process remains a central concern, and is explored using such concepts as "flexible

production” and “post-Fordism.” From a flexible production perspective, as Bugra argues, certain developments in capitalist economies, such as rapid change and differentiation in demand, increasingly undermine the system of mass production in large scale firms, which in turn leads to the growth of small firms. For this reason, large firms need to establish subcontracting arrangements with flexible and specialized smaller firms. As Bugra (2002) argues, “flexibility” has become the key term designating the nature of a new logic of “small-batch production.” Flexibility thus implies that large size can be an impediment rather than an asset in an environment where standardized production is replaced by production for more volatile markets of a more limited size (Satoglu 2008).

In the literature, the characteristics which help firms to achieve competitiveness and growth in international markets include historically accumulated unique socio-cultural capacities, often conveyed in notions such as ‘social capital’ (Putnam 1993), ‘trust’ (Putnam 2000), ‘institutional thickness’ (Amin and Thrift 1999) and ‘untraded interdependencies’ (Storper 1999). Untraded interdependencies are considered to be part of broader changes and are assessed in terms of their capacity to support economic activity. According to Alfred Marshall (1890), untraded interdependencies can be seen as the ‘knowledge in the air’. They are based on shared knowledge, for which there is no market mechanism for exchange. Untraded interdependencies exist in the city culture and provide versatile advantages to local producers, sometimes in the form of learning, or worker exchange in periods of high demand. They also play a crucial role in inter-firm co-operation and enable flexible work practices without conflict and without the need

for formal conflict resolution practices mobilized by the state and/or labor unions. This is doubtlessly a significant complement to the collective capacity established among different members of growth coalitions.

The concept of untraded interdependencies overlaps to some extent with the analyses of communitarianism made in this dissertation. Communitarian efforts benefit considerably from untraded interdependencies in the form of social and cultural elements potentially uniting members of growth coalitions. As we shall see, however, the concept is applied too narrowly and thus misses important actors.

In the case of the Anatolian Tigers, Bugra (1998) notes that advantages result from the social ties of trust, loyalty, and solidarity among enterprises that share common cultural practices. Bugra argued that these practices are shaped by the spatio-historical and institutional dynamics prevailing in the community and this varies from one city to another (1998). Family, as an important source of low wage labor that accepts flexible working hours, and religion, which constitutes a communal bond that alleviates potential differences of interest, appear to be instrumental here (Bugra 1998; Satoglu 2009). Thus, the logic of flexible production requires a fit between the traditional institutions that regulate social relations and the current requirements of global production and trade (Bugra 1998; Satoglu 2009). In these studies, the network effects of social ties that lead to “collective efficiency” are positioned as central to the dynamism of small firms. These studies also advance the capability of the local to penetrate global trade and capital flows, and underline its power in terms of being a new spatial framework for capitalist

production and accumulation that has been transformed by the changing technologies of production (Cooke 1997; Cooke and Morgan 1998; Hirst 1993; Piore and Sabel 1984).

This shift towards flexible production has had important implications for the Anatolian Tigers. The new mechanisms of flexible production, as Bugra (1998) argues, have played a central role in the resurgence of local and regional development by enabling “a strategic fit” between traditional structures and global conditions. This fit refers to the advantageous situation of local firms, mostly SMEs, that can respond quickly and flexibly as market conditions change (Satoglu, 2009). In the case of Turkey, many scholars have studied the city of Denizli, one of the earlier Tigers, and similar to Bugra have identified a “strategic fit” between the local collaborative structures of SMEs that allowed for an articulation to global production networks, especially in the textiles sector, which in turn led to unprecedented economic development (Eraydın, 1998; Pınarcıoğlu, 2000; Erendil, 1998; Küçüker, 1998; Mutluer, 1995).

Strategic fit and its application in the cities of Anatolia has a certain explanatory power, but in many ways, remains limited. Approaching the Anatolian Tigers as “industrial districts” and trying to capture local collaboration as though it exists only between firms and economic units is misleading. Untraded interdependencies of socio-cultural elements engender important collaborative and cooperative forms, which have considerable economic returns for the local producers. While it is true that clustering and agglomeration impacts exist, the rise

of the Anatolian cities encompasses strategies that transcended inter-firm collaboration and economies of scale. The argument regarding varieties of communitarianism central to this dissertation and the concept of untraded interdependencies both highlight the non-market forms of coordination and cooperation. Both reveal the importance of informal networks of solidarity and interaction among actors. They differ, however, in terms of the actors involved. Varieties of communitarianism entail non-market forms of coordination and cooperation among public and private actors, such as chambers, municipality, entrepreneurship associations, small and medium enterprises, large holding companies and other civil society based organizations. The concept of untraded interdependencies, however, simply focuses on the same practices among firms, and fails to take into consideration that untraded interdependencies may critically involve other actors. Such studies cannot fully explain the creation of local agency in the cities of Anatolia. By focusing on the industrial districts and economic units mobilized in cities, the “strategic fit” argument is notably silent on how different social and political actors are empowered and disempowered. In other words, we do not learn much about the way that local communities and city-based actors react to the increasing role of industrial units in their cities, the extent to which they reinforce or impede their activities, and the extent to which the local becomes a scale of cohesion. Given that industrial districts need a local labor force and local institutional assets, the way that various organizational and political forms in the local community, such as entrepreneurs, capitalists, workers, unions, municipalities and other cultural institutions react to development challenges need to be

examined. These studies also fail to address the impacts of industrial and manufacturing bases in these cities and what these impacts signify in terms of the relation of locality vis-à-vis the nation state.

It should also be noted that “strategic fit”, which rests on the opportunities brought about through flexible production technologies and the restructuring of the global economy in a way that offers new alternatives to localities, fails to explain why only certain localities grow in a sustainable fashion and translate their economic development into wider modernization processes including urban transformation. Denizli, as many scholars have illustrated, was considered a rapidly growing Anatolian Tiger during the first half of the 1990s, but this success has proven to be rather short term.

2.2.2 Anatolian Tigers as Product of Islamic Capitalism

Studies that fall under this category locate the rise of Anatolian Tigers within a socio-political framework largely focused on the rise of a new Islamic conservative bourgeoisie class that differs from Istanbul-based secular elites. The commonality among these studies has been their attempt to explain how the Tigers have acquired the power of agency. Taking modernization theory as a starting point, these studies aim to show how modernization theory failed to grasp the dynamics of political and economic transformation in Anatolia, and in Turkey more broadly, given its dichotomous interpretation of modernity and tradition. According to these studies, the Anatolian cities reflect the failures of modernization theory, with the rise of the

Tigers signaling the potential synthesis and co-existence of modern and traditional systems.

This co-existence has been studied by applying Weberian analyses with particular reference to Weber's *The Protestant Ethic and Spirit of Capitalism*.¹ The term "Islamic Calvinism" is thus used to explain the mentality and lifestyles of Anatolian businesspeople. The European Stability Initiative (ESI) Report, published in 2005 raises the possibility of similarities between Islamic entrepreneurs and Weber's Calvinists. In *The Spirit of Capitalism and the Protestant Ethic*, Weber (2001) contends that the Calvinist values of honesty, piety, thrift and hard work played a key role in Europe's economic development. The ESI likewise advances the argument that it is these same values, revered by the business class of Kayseri, that have underpinned its newfound success. These conservative religious values, a documented force for progress in development in the past, can be Islamic as easily as Christian or European.

There are significant limitations to the generalizability of the concept of Islamic Calvinism. The ESI introduced Islamic Calvinism in an analysis of a single case study, the Hacilar district of Kayseri. If the economic successes of the Anatolian Tigers were indeed a product of Calvinism, one would expect the entrepreneurs of other cities, such as Konya, Gaziantep, Eskisehir, Corum, Denizli and Malatya to display similar characteristics. Among the other Tigers, however, it is only the

¹ According to Weber, Calvinist entrepreneurs came to see this-worldly activities and hard work as parts of piety and took success in business life as a sign of God's grace.

businesspeople of Konya and Kayseri who display similar Islamic values. The entrepreneurs and business communities of the other Tigers are far less publicly attached to Islam. It should be noted that the pious entrepreneurs of Konya differ significantly from those of Kayseri in that they belong to different sects (Kayserians as *Nakhshibendi* and Konya as *Mevlevi*), and their understanding of Islam thus differs in terms of its practices, the application of some *Hadiths* (sayings of the Prophet Mohammed), and imperatives of the Quran (Adas, 2009; Dogruoz 2008).

Although the ESI's depiction of the co-existence between Islam and modernity, and its attempt to explain the Anatolian Tigers based on a set of Calvinist values, has not been well-received among religious businesspeople, it remains an influential illustration of the failure of the modernization paradigm and its inability to diagnose the new political, social and economic realities of Turkey. Accepting that the Anatolian Tigers lie at the heart of Turkey's historical paradoxes, which have intensified as a result of the processes of globalization and Europeanization, the emerging actors in the Anatolia region as the instigators of these paradoxes merit more in-depth study. In this sense, the ESI Report has been crucial in directing new attention onto the organizational and institutional power of Islamic entrepreneurs. Kemalist secular modernity has failed as the Islamic resurgence and increasing visibility of historically suppressed Islamic entrepreneurs reveal that secularism is not a precondition of modernity and integration with the global capitalist system. It is these dynamics, the modernization and global integration of religious businesses, business people and communities that have led to two additional groups of studies: those focused on understanding the commonalities and qualities of the rising

conservative bourgeoisie and those focused on the mobilization power of conservative entrepreneurs.

Among the former, Atasoy (2007), Adas (2006), Yavuz (2003), and Toprak *et al* (2005) focus on the process of agency formation of the Anatolian Tigers. These studies argue that there have been a number of important endogenously driven dynamics in the Anatolian cities. They focus on the emergence of a synergy between Islam and capitalism within which the definitions of the economy, the market, entrepreneurship and work ethic are reconstructed, reworked and contested by Islamic businesspeople. In other words, they assess how Islamic values and norms have been transformed by Islamic actors who deconstruct and reconstruct the relationship between Islam, the economy, markets and entrepreneurship. These studies attempt to draw a picture of the emerging Anatolian Islamic bourgeoisie, who according to Yavuz, “are pious individuals who identify Islam as their identity and formulate their everyday cognitive map by using Islamic ideas and history to vernacularize (Islamicize) modern economic relations that promote market forces and cherish growth oriented projects” (2003d: 2-3).

Common to these studies is the treatment of the emerging Islamic bourgeoisie as a coherent social class, who reacts to the secular modernization and capitalist experiences of Turkey with a new regime of capital accumulation, with parameters defined by the aforementioned reconstructions (Dogruoz, 2008). These studies take a rather instrumentalist view of Islam and consider “Islamic religion in the economic sphere merely as part of a rational reasoning by making religion simply a ‘tool’ for

economic success” (Özdemir 2005: 208). Kuran (2004), for instance, states that Islam has a functional importance for Muslim businesspeople given that it is used as an economic instrument.²

In these studies, the rise of a new “entrepreneurial and capitalist-oriented” Islamic bourgeoisie is considered the central social force behind the transformation of the Anatolian region. These studies, however, fail to address how this social force has been established in terms of defending/representing interests and building the organizational and institutional capacity needed to implement the strategies that articulate their aspirations to the global economy. This point turns our attention to the second group of studies, those that attempt to explain the organizational, political and globalizing characteristics of Anatolian entrepreneurs as the main actors in the new tradition-modernity co-existence. The Independent Industrialists and Businesspeople Association (MUSIAD), as a national interest representation organization has been the focus of a number of these studies.

In some, scholars have compared MUSIAD to the secular Turkish Industrialists and Businesspeople Association (TUSIAD) (Bugra 1999, 2002, 2005; Onis and Turem 2001, 2002; Cemrek 2002; Ozdemir 2004, 2006; Dogrusoz 2009). In these studies, MUSIAD and its branches are portrayed as a constellation of social capital, with the “features of social organization, such as networks, norms, and trust that

² From his perspective, it serves two functions, psychological (guilt relief/alleviation) and structural (network creation). Likewise from a materialist approach, the Islamic movements of the newly emerged Muslim capitalists are deemed to express the desire of these entrepreneurs to take part in the global economy by turning Islam into a strategic tool for legitimizing and strengthening their business activities.

facilitate coordination and cooperation for mutual benefit” (Putnam 1993). For organizations like MUSIAD, Islam operates as a form of interpersonal trust, allowing the individuals involved to conduct business with networks of people who know and trust each other (Adas, 2006; Bugra, 2008; Satoglu 2009). This reduces their costs of negotiating, drafting, monitoring, and enforcing agreements when compared with their counterparts who must constantly guard against being cheated (Dogruoz, 2008).

The membership structure of MUSIAD vis-à-vis TUSIAD, the profile of member companies, the discourses of MUSIAD publications, and its domestic and international strategies have thus been the focus of inquiry for these studies given the aforementioned advantages incurred through MUSIAD membership. The characterizations advanced by these studies coincide with the first set of studies (those looking at the convergence of Islam and capitalism) in that MUSIAD is identified not only as a mechanism for interest representation, but also as a form of class strategy, and an economic and social model that thus diverges considerably from TUSIAD (Bugra 1998). In general the latter set of studies (those focused on the organizational capacity of the Anatolian bourgeoisie) tend to imply that the emergence of MUSIAD was again a manifestation of the failure of Turkey’s secular modernization project.

In addition to functioning as an economic and social organization, MUSIAD has also become a political actor. The growth and popularity of MUSIAD has been perceived as an important trend by the increasingly successful Islamic Welfare

Party, given the conservative stance and religious attachment of its own members, and MUSIAD's potential as an ally. For the Islamic Welfare Party, MUSIAD represents an important reaction against the Kemalist historical bloc and its logic of modernization based on secularization. The emerging Turkish political economy has witnessed fierce conflicts, struggles and tensions over established regulatory practices as the rise of the Anatolian bourgeoisie has meant new competition for the state-sponsored Istanbul-based bourgeoisie. This informal alliance between the Tigers and the Islamic Welfare Party has been crucial as the Tigers needed to exert pressure on the nation state and find ways to collaborate with new transnational actors and networks. In other words, both local politics and the way entrepreneurs benefit from local politics have been integral to the strategies of the Tigers.

Despite its importance, this academic focus on MUSIAD, and its increasing importance in the Turkish political economy, has overshadowed other local dynamics and practices, which have also played a central role in the success of the Tigers. While MUSIAD has been the most visible and powerful interest representation mechanism, enabling the Anatolian bourgeoisie to be more vocal about their economic, social and cultural claims, the globalizing and liberalizing economic and political environment has also provided opportunities for other local, mostly city-based business associations, chambers of commerce and industry, and civil society organizations. Although most studies focused on causal relationships between the rise of MUSIAD and the Anatolian Tigers have ignored these dynamics, Bayirbag (2007, 2009) has highlighted the need to be more cognizant of them.

Bayirbag's (2007, 2009) studies of Gaziantep have shown, through local business associations, the interscalar dynamics of the new political spaces that have been constructed for local and urban actors. Bayirbag analyzes the construction of these spaces in Gaziantep by examining the interscalar strategies pursued by the local bourgeoisie. Bayirbag's concept of scalar strategies of representation helps to explain the ways in which the local bourgeoisie extend their political activism beyond the local, and establish versatile institutional relationships with national as well as supranational actors. In this framework, the political activism of local entrepreneurs and local corporate regimes is seen as an extension of economically robust actors. This framework focuses on the discourses and strategies used to build contacts and collaborations among actors and institutions operating at different scales, with the aim of developing interscalar arrangements favourable to the initiator's interests and/or institutionalizing an improved access/power position. Bayirbag's emphasis on local entrepreneurialism as a form of local agency formation and his analysis of the motives behind the political mobilization of the local bourgeoisie, show that Gaziantep has benefited from a locally orchestrated effort sustained by business people's associations as representatives of the local bourgeoisie.

Inspired by Bayirbag's perspective, this dissertation argues that locally orchestrated business people's associations and growth coalitions, and the organizational arsenal that forms around them, have to be studied by acknowledging that their economic strategies and actions reflect their communitarian linkages. In other words, economic actors are embedded in their

communities and local agency formation is a derivative of the way in which they are embedded. Consequently, a special emphasis should be put on the ways that communitarian understandings shape growth coalitions. This dissertation shows that while Islamic connections, bonds and networks are one means of embedding the economy in society, this is not the only route. The concept of the varieties of communitarianism captures multiple means of embedding.

2.2.3 Anatolian Tigers as Alternative Modernities

Classical modernization theory can be deemed a convergence theory as it claims that “history as a process has a direction and its goal is modernity” (Aydin, 2005: 107 in Dogruoz, 2008), at which all societies are assumed to inevitably (eventually) arrive. Talcott Parsons, one of the first proponents of modernization theory, “viewed modernity as a uniform, unambiguously structured pattern in progress towards harmonious integration” (Aydin, 2005: 136 in Dogruoz, 2008). Classic modernization scholars, such as Rostow, argued that modernization produces tendencies toward convergence among societies. Accordingly, “as time goes on, the western societies and the non-Western societies will increasingly resemble one another because the patterns of modernization are such that the more highly modernized societies become, the more they resemble one another” (Levy 1967:207 in Dogruoz, 2008). Modernization thus produces a spillover effect through which everything (including economic growth, economic equality, political stability, democracy, and national independence) blends together to the extent that “the

march of modernity will end up making all cultures look the same” (Taylor 2001: 181 in Dogruoz, 2008).

The major premise of modernization theory rested on the notion that there is only one path to modernity and that there will be a “disappearance of diversities during the last stage of modernity” (Corsi 2002; Dogruoz 2008). Kemalist secular modernity offers a good example of this approach, with its homogenizing impacts and top-down imposition of secular ideology on the cultural richness of Anatolia. Its single-minded focus on Westernization, its equation of modernity with Westernization, and its interpretation of the “local”, “particular” and “non-secular” as inferior and “non-modern”, were based on the idea that Anatolia’s diverse geographies would sooner or later embrace secular ideals and become part of the broader Kemalist project. Consequently, many state interventions in the cities of Anatolia since the 1920s have identified establishing such transformations as a key objective of the Kemalist nation-state.³

In the face of this modernization push, Islam has offered an interesting alternative. As Atasoy (2008) argues, in the absence of a strong Leftist movement, Islam emerged as an appealing political project. As such a project, it helps to resist Kemalist developmentalism, with its class bias in favour of large Istanbul-based industrialists, and secularism, as embodied in the authoritarian homogenizing

³ These interventions include aiming to build a secular middle class in cities through the construction of schools, state sponsored factories, public enterprises, etc. They also include state spatial interventions, such as the construction of some monuments and buildings and the repression of others: mosques, religious centers, and sect houses (Cemevleri).

culture of civil-military state bureaucrats. Islam appeals to those over whom Kemalist bureaucrats have cast shadows, questioning their cultural suitability for 'western' modernity.

Several studies use the failings of the modernization paradigm in Turkey as the starting point for their analysis of the Tigers (Atasoy 2007; Yavuz 2003; Ozdemir 2005; Adas 2008). According to these studies, which position the mobilization of pious entrepreneurs at the centre of the inquiry, the rise of the Tigers is indicative of an expanding Islamic identity; an identity that in turn is perceived as a paradox within the modernization paradigm. According to Keyman and Koyuncu-Lorasdagi (2005),

"this paradox finds its meaning in the simultaneous development of the 'increasing dominance of economic liberalization' in economic life, whose laws of motion are, to a large extent, dictated by economic globalization, that is the economic logic of western modernity, and the emergence of the politics of identity/recognition that have taken different forms, such as the resurgence of Islam and traditionalism" (2005: 145).

This paradox becomes especially concrete in Keyder's (1997) argument that the recent rise of political Islam in Turkey owes its appeal to the failure of Kemalist modernization. Onis (1997) likewise argues that Islam is a political protest movement expressing the grievances of the poorest, marginal segments of the population, who have been excluded from the benefits of the Kemalist modernization project.

Alternative modernity can be understood as historically and discursively

constructed societal claims, embedded in cultural values, codes and practices. In Turkey, alternative modernities encompass a strong critique of the status of secular-rational thinking as the exclusive source of modernity. The theory of alternative modernities thus recognizes that modernity is not one but many, and that there are different and varying articulations of economy and culture that lead to different development paths, at the national scale, but also on sub-national scales such as cities, urban contexts and localities. These alternative modernities privilege “development over individual rights and freedoms, organic community over diversity and pluralism, and traditional values and mores over liberal and individualist life-styles...economic rationality finds existence in this case ‘with a communitarian citizen’ whose self-identity is embedded in either nationalistic or traditional structures” (Ong: 123). In contrast to models based on a self-interested, atomistic individual, communitarian logic prevails over pure self-interest.

Keyman and Koyuncu’s alternative modernities approach and Bayirbag’s concept of interscalar strategies of representation both inform us that in understanding the rise of the Anatolian Tigers, we have to recognize the power of local agency. In Bayirbag’s analysis, local agency was manifested by mobilizing the political activism of local business associations and their interscalar strategies of representation. In Keyman and Koyuncu’s account, alternative modernity claims were pioneered by SIADs, whose institutional strategies depended on communitarian logic albeit with diverse societal visions and cultural identities. However, while this study argued that local agency formation is crucial, it ignored the fact that local agency formation in the cities of Anatolia is not related only to

SIADs; a broader coalition of social forces is required to attain more legitimate and effective alternative modernity claims and political activism. SIADs have been a part of the larger urban coalitions striving for a collective strategy and as it will be shown in Chapter 5, the leading figures of SIADs tend to also include prominent local family holdings and chambers of industry and commerce. Focusing only on SIADs thus fails to provide a robust and accurate picture of alternative claims of modernity. In the study of alternative modernities, SIADs in partnership with other actors render a more complete picture of how local social, economic and cultural resources are mobilized in urban spaces.

2.3 Varieties of Communitarianism

2.3.1 Theoretical Underpinnings of Communitarianism

Before delving into the theoretical underpinnings of communitarianism, it is important to first introduce the debate that exists between communitarians and libertarians. This debate finds its roots in the work of John Rawls. Rawls' theory of justice outlines the principles of justice that govern political, social and economic institutions. In this framework, rational, free and equal individuals choose these principles and these principles guarantee individual freedom through rights. Rawls work is informed by, and has contributed to, a long tradition that might be called "liberal individualism" (Taylor, 1985). It is widely believed that the liberal individualist model lies at the heart of the liberal tradition.

The liberal tradition centres on the need to free the individual from the state

and society, as it sees the individual as threatened by a society that is inherently authoritarian and conservative. The liberal tradition equates power and authority with oppression and locates sources of power and authority in the locality, family and church. While it is often assumed that these centers of power and authority will be replaced by the formal equality of individuals in modern societies, communitarians in contrast argue that this picture underestimates the continuing significance of status, local networks and other similar social/cultural institutions.

Many critics challenge the liberal individualistic tradition by advancing an alternative analysis that acknowledges that social roles, relations, discourses and institutions are socially constructed and that the contexts within which individuals develop and live are non-natural (Sandel, 1984; MacIntyre, 1990; Walzer, 1990). Social conceptions of the individual lead these alternative approaches to identify the values that sustain social order and are based on the social nature of individuals such as trust, reciprocity, mutuality and community. Communitarianism finds its roots in these debates as it highlights the importance of collectives and the range of aforementioned values, that are neglected by individualist philosophies. In contrast to liberals, who focus on self-determination and self-interest, communitarians argue that individuals are not self-sufficient outside of the community (MacIntyre 1990). Communitarians are predominantly concerned with the relationship between the self and the community (Sandel, 1998).

Inspired by these debates, it is possible to infer an array of characterizations of what community means and what it entails. Taylor, for example, has noted that

common meanings are the basis of community and that inter subjective meaning gives people a common language to talk about social reality and a common understanding of certain norms through common references and common actions. According to Taylor, this is what makes community (1985). Communitarianism sees individuals as socially constructed and embedded in community. Accordingly, a core communitarian belief is that the individual is part of the community and membership in the community increases self-fulfillment. At the same time, being a member of the community brings certain responsibilities and moral obligations shared by all members of the community.

While the sharp contrasts between liberals and communitarians are often identified as unbridgeable, there have been efforts to unite these two perspectives. Etzioni, a contemporary communitarian, argues that individual rights should be balanced with social responsibilities and that since individuals are part of a larger structure, they have an obligation to contribute to the common good. Etzioni, who considers himself to be a neo-communitarian (1998, 1996, 1991), deems this the responsive community approach. Neo-communitarians emphasize that strong, healthy and morally rigorous communities are a prerequisite for strong, healthy and morally rigorous individuals. Bellah (2001), another neo-communitarian, sketches a framework for democratic communitarianism that affirms the central value of solidarity. According to Bellah, solidarity defines who we are through relationships based on loyalty and a shared commitment to the common good. Overlapping identities and the “duty” to contribute to the common good help the community internalize the need for a shared destiny and ease the process of building the

linkages that are necessary for the pursuit of a common destiny. Democratic communitarianism also references the concept of complementary association, which is a commitment to varied social groupings, such as the family, the local community, cultural/religious groups, economic enterprises, trade unions and/or the nation state.

Etzioni (1998) defines community as members of the social entity that have shared values and a web of bonds of affection. According to Etzioni (1998), there should be a balance between maintaining social order and oppressing members of the society. Etzioni (1998) argues that communities are not just aggregates of persons acting as free agents, but also collectives with identities and purposes of their own that act as a unit. In addition to the above definitions of community entailing a shared culture and web of affect-laden relations among a group of individuals, Etzioni (1998) suggests that we have to take into account a third trait, that communities are characterized by a relatively high level of responsiveness. Communities are organized on the basis of social formations continually being shaped and reshaped in response to the true needs of the members as opposed to the basis of oppressing members to internalize the demands of the community. Nonetheless, Etzioni (1998) warns that there are forces that undermine autonomy and highlights that there are layered loyalties within communities, as members are members of various communities.

What does this discussion mean for the varieties and practice of communitarianism in the case of the Anatolian cities? It is possible to identify three

central connections between the literature in this section and Anatolian communitarianism. First, the literature highlights that communitarianism is a process that seeks to find a balance between individual liberty and commitment to the common good. While the meaning and content of common good differs across communities, in the Anatolian cities the common good most often refers to sustaining economic growth given that the urban growth coalitions and city discourses are shaped by the belief that the absence of the state can only be fixed through the economic dynamism of prominent city-based enterprises. Their success is thus seen as the common good and is assumed to trickle down to all others.

Second, Etzioni's concept of "responsive community" is particularly relevant. This concept suggests that society is not merely setting norms for its members, but also responding to expressions of their values, viewpoints and communications by refashioning its culture and structure. In Anatolian cities, this responsiveness enhances the strength of urban coalitions by allowing them to respond to the demands and needs of different social groups. While economic growth is equated with the common good, the responsiveness of the community helps ensure the trickle down of the benefits of city growth. As various studies cited above note, this trickling down is akin to a community pendulum in the sense that members encounter material benefits (such as jobs) as members of an increasingly successful community, but at the same time are expected to perform certain duties. How are members expected to contribute to the community and which mechanisms enable community responsiveness in the cities of Anatolia? The next sub-section will focus in more detail on the meaning of community in Anatolia. It will set the stage for

studying a community that embeds its economic actors in a Polanyian sense. It should, however, be noted that there is no single way of embedding markets and economic actors as there are a variety of mechanisms for embedding markets and growth-focused urban coalitions.

2.3.2 Communitarianism and Forms of Embeddedness

Communitarianism highlights the importance of “community” at the urban scale. In this context, community is envisioned as including a variety of economic and non-economic actors, such as civil society groups, business and entrepreneurial associations, chambers of industry/trade/commerce, municipalities, prominent local conservative families, workers and key urban leaders. Communitarianism recognizes the embedded nature of individual actors in particular historical and community contexts. Communitarian efforts to embed urban growth projects involve the non-market cooperation and coordination of social actors in the realms of both production and reproduction. The community becomes a source of mitigation and mediates market competition by building alliances and linkages among different urban groups. According to Gough (2002), these non-market manifestations of cooperation reflect forms of socialization at the urban scale. At first glance, as Gough (2002) indicates, the logic of socialization contrasts sharply with the logic of free markets. Non-market forms of cooperation, however, do not resemble a separate social context that has been left untouched by market-oriented strategies. The existence of these forms of socialization and their articulation to market-based strategies can in fact serve the basic aims of “pure” neoliberalism.

Thus, even though some forms of socialization are deemed to create inefficiencies, these forms are integral to strategies that ultimately accept markets as the main regulatory mechanism. Communitarianism captures this and acknowledges that long-standing forms of urban socialization have a vital role to play in embedding urban growth projects.

In the case of the Anatolian cities, these forms of urban socialization are many, with family being among the most important. Family companies, mostly organized as SMEs and locally prominent family holdings, offer examples of collective decision-making and operation processes. For others, conceptions of community and the identification of communitarian bonds provide a sense of belonging, although the roots of these bonds vary among the different cities. In some cities, in terms of the formation of a communitarian spirit to embed local growth projects, religion as a non-market collaboration and coordination mechanism, plays a key role in mobilizing business associations, chambers and other municipal actors.

Among the Tigers, communitarianism and its urban forms of socialization reveal a societal consensus around achieving local development. Communitarianism is thus in part a social reaction against the historical neglect and suppression of certain areas by secular elites. Communitarianism demonstrates the enabling consequences of neoliberal globalization, as local communities are empowered and better able to improve their circumstances without (chronically lacking) state support. As this communitarianism emerges from the co-existence of market-based strategies and urban forms of socialization, its influence is derived from the fact that

the traditional contradictions between these two processes are resolved through their mutual construction, rather than conflict (Gough 2002: 407). This mutual construction is such that communitarianism successfully embeds urban growth coalitions and communitarian support legitimizes the coalitions.

Market-based strategies rely on forms of socialization to enhance competitiveness, reduce production costs and increase the quality of cooperation and coordination among economic actors. At the same time, urban forms of socialization need the implementation of market-centered strategies because this is the most viable contemporary alternative to a capable state. This does not mean that the co-existence of marketization and forms of socialization are beneficial for all social groups (Gough 2002: 413). Indeed, market-based policies can place greater burdens on certain socioeconomic groups.

Similarly, even though communitarianism emerges from a societal coalition to support local growth projects, the articulations of marketization and socialization, when realized in variegated forms in different localities, also produce tensions. Some members of the “community” who engage in an effort to make the city more competitive end up with an asymmetric relationship to the end product economic “miracles.” In other words, members of the growth coalitions very often derive unequal benefits from the growth they work to create. Local family holdings, for instance, have most often been the primary beneficiaries of new prosperity while other social groups, such as the workers who form the production bases of the cities, especially those without any social protection, become the “invisible” architects, and

ultimately losers, in this process. Bialasiewics' (2006) study of regional economic development in the Veneto region in Italy highlights the links between the transformations in Veneto's production landscapes and an increasingly exclusionary identity politics. In other words, Bialasiewics warns us that local networks of trust, and the embeddedness of local economic development that paves the way for local economic miracles, also have dark sides.

In the case of Veneto, Bialasiewics notes that the attention of regionalist mobilization scholars has largely focused on "ideal and idealized landscapes that are an integral part of regional mythmaking..." (2006: 63). In addition to problems of essentializing local specificity, local forms of knowledge and organizational capacity, there is an imminent risk to those "who lie outside of the local networks of association and trust" (64). This risk emerges when the myth of local connectivity and economic miracles ignores the "invisible" and "Other" architects of the miracles, including foreign and immigrant workers.

Bialasiewics' study has important parallels in the cases of the Anatolian Tigers, as communitarianism as a way of embedding urban growth projects also has a dark side. Membership in the community is not necessarily based on rights, freedoms or the co-existence of differences. Rather, the communitarian spirit has likely benefited from the repression of certain social groups including factory workers, seasonal workers, informal workers and immigrants. As we shall see, while there has been economic growth, rising export levels and economic dynamism, the dark side of the "Anatolian" miracles manifests in exploitation, social exclusion and an asymmetric

distribution of wealth. Communitarianism must therefore be approached in a way that illuminates the role of its institutors and organizers, as well as its bystanders, who are in fact the hidden/invisible architects of this process. In this regard, it is important to assess the practices used by different urban groups to create and maintain cohesive communities, both in terms of new manifestations of the rescaled nation state and the reworking of inherited forms of socialization.

Communitarianism is an articulated social form and link between commodified capitalist class processes and non-commodified production, and is in turn embedded in other economic/cultural practices. In embedding economic actions, both the social and cultural are operational. According to DiMaggio, culture as shared collective understandings can be constitutive and regulative (1994:28). It becomes constitutive through the “categories, scripts, and conceptions of agency” (Swedberg 2003:42) that shape the way “we conceive, define, and rationalize decisions” (Hass 2007:16), and regulative through the “norms, values, and routines” (Swedberg 2003:42) that govern our decisions and action. In short, the categories, values and norms that emerge from culture shape the actions and decisions of agents.

Communitarianism varies across localities, but in general involves three types of embeddings (Hess 2004).

- **Societal embeddedness:** This type of embeddedness highlights the importance of an actor’s provenance. It is related to the social structures that influence and shape the actions of individuals and collective actors within their respective

societies. Social embeddedness involves cultural embeddedness, which relates to the role of historically established societal power relations, cultural imprints and heritage. In the Anatolian cities, societal embeddedness refers mostly to the power of prominent local families who have built the city's economic infrastructure and have helped to build communitarian efforts and influence spatial practices. These actors can give life to their cities and can use their hegemony over other urban residents. Thus, it is not surprising that the social coalitions produced through the active leadership of these locally hegemonic families generate controversy as they often involve significant pressure on the local population. Communitarian efforts are sustained through the formal and informal interventions of these families, sometimes via the distribution of free food, coal or other primary goods, sometimes via convenient ways for workers to attain mortgages or, especially in the cases of Kayseri and Gaziantep, via the establishment of foundations, schools, youth centers, and health centers. In the case of Kayseri, religion is the most explicit form social embeddedness.

- **Territorial embeddedness:** This type of embeddedness refers to the extent to which an actor is anchored in a particular territory or place. In Anatolia, this type of embeddedness manifests as strong "city identities". Many of the businessmen surveyed noted that their primary motivation was to improve their city. Economic actors become embedded in the city in which they live and work, and in some cases, become constrained by the economic activities and social dynamics that already exist in those places. When the attachment to the locality is strong it can increase the efficiency of cooperation and coordination among

businesspeople and help to mobilize their philanthropic agendas. Serving the homeland or the “*ata topragi*”, which means “ancestor land,” is perceived as virtuous and connections to the city are reinforced through the willingness to better serve this land (Bedirhanoglu and Yalman, 2009). Prominent local families interviewed for this dissertation repeatedly noted that they chose to stay in their home city rather than move to Istanbul or other metropolises because of their attachment to the city. Workers often have a compelling relationship with the territory on which they used to be peasants, hence they too prefer to stay in their hometowns and work for the local family holdings. This attachment to the city is a historical phenomenon and is not necessarily limited to the neoliberal globalization era.

- Network embeddedness: This type of embeddedness describes networks of formal and informal actors and includes the institutional and organizational capacities of MUSIAD, SIADs, chambers of trade and industry, and civil initiatives. Network embeddedness can be seen as the product of a process of trust-building between network agents that is central to successful and stable relationships. Network embeddedness is related to societal embeddedness with regards to the role of, for example, religion and sect establishments, as businesses often benefit from connections based on Islam. These bond and trust mechanisms can reach beyond cities and the urban scale, especially when local entrepreneurs target Islamic countries abroad and open business branches in Muslim African nations and some Turkic Republics.

2.3.3 Spatial Aspects

2.3.3.1 Core-Periphery Paradigm

In the 1970s, a debate emerged in Turkey that questioned the dominance of modernization as Westernization and the expectation that a strong-interventionist state would transform an inherently “traditional” society (Atasoy, 2005). Among these critiques, Mardin (1973) introduced the “center-periphery” approach as a possible starting point. Mardin was highly critical of the homogenizing as well as universalistic assumptions of modernization, and asserted that the secular modernization experience was based on a center, comprised of modern trained military officers, bureaucrats and intellectuals, and a periphery comprised of Anatolian or mostly rural merchants (who had increasing access to the accumulated wealth of the relocated ethnic and religious communities of the late Ottoman Empire), landowners and peasants (Keyder, 1996; Agartan, 2008; Atasoy, 2005)

Mardin’s approach sought to demonstrate the failure of the Kemalist modernization experience to transform non-secular social forces through a strong state tradition. Mardin contended that uneven economic and social development in modern Turkey was the result of this dual structure. In other words, the political economy of Turkish modernization, as described in the previous section, operated through this dual structure and the center’s approach to and interventions in the periphery created increasing economic gaps between the two. The center-periphery

approach helps to articulate the failure of the secular top-down modernization experience to maintain an “inclusive” development model and the failure of the strong state based development model to fosters geographically fair economic development outcomes.

The center long retained its suspicions of the periphery given the heterodox elements in Anatolian social and cultural life, including different sects, cults and strong religious attachments (Mardin 1973: 171). The center’s fear of this heterodoxy led the ruling elite to either suppress it entirely or dominate it through new forms of intervention in economic and political arenas including considerable investments in secular establishments in the cities of the periphery, including SEEs, public enterprises, and secular spatial units. The center assumed the role of chief social engineer with the intention of managing a modernization project, while the periphery remained confined to a traditionalist social construct mostly as the object of this project (Atasoy, 2005; Kahraman, 2008)

In order to establish the desired national identity, Turkish modernization had to envision a Republican model of citizenship and as Keyman and Koyuncu (2005) notes “the making of modern Turkey involved the transformation of the masses into citizens, but prevented the language of rights from entering into the process of the construction of the secular national identity ... citizenship was not a liberal category, but referred to a morally loaded category”. This vision of citizenship corresponded to the desire to create an identity compatible with the secular modernization model and associated industrialization efforts (Keyman and Koyuncu, 2005).

In this framework, the state retained hegemony over state-society-market relations and space for civil initiatives was almost non-existent. Mardin contends that the Kemalist modernization project caused a division of political space between traditional-backward and modern-progressive elements (Mardin, 1973; Atasoy, 2005). The end result was the continuity of conflict between the center and the periphery, which led to further domination and suppression of the periphery and increasing economic and social neglect in the Anatolian region relative to the high volumes of public support given to the cities of the new Republic, including Istanbul, Ankara and Izmir.

In many ways, the center-periphery approach is indeed useful for rethinking Turkey's modernization experience. This approach has helped to conceptualize the state as a source of autonomous power and coercion, identify areas of cultural domination, and highlight the antagonisms between the governing secular modern Kemalist coalition and a suppressed peripheral identity. The center-periphery structure has, however, failed to acknowledge that the periphery is not unified as a single identity or entity. In turn, this perspective has erroneously assumed that the periphery's capacity to oppose the secular modernization trajectory was mobilized nationally and had attained national unity. Given the varied economic, political, social and cultural tensions across the periphery, an approach was still needed that could explain new identity claims, new economic actors, and the social and economic mobilization visible in the cities of Anatolia in the post-1980s period. In this regard, the literature on state rescaling, with special reference to changing state spaces and the rise of cities/urban centers, deserve further attention. The dynamics

of state rescaling not only offer insight into the rise of cities/urban centers as the loci of policy making in the post-1980s era, but help us to understand the processes through which the center-periphery paradigm started to lose its relevance in the Turkish context. At the same time, state rescaling helps us to better understand and diagnose the role of territorial alliances and their spatial imaginaries. It establishes a context for recognizing emerging urban growth coalitions as manifestations of these alliances and changing spatial dynamics.

Persistent disparities in aggregate growth and large differences in the wealth of Eastern and Western regions have long been a central concern of policy makers in Turkey. Since 1963 there have been eight Five-Year Development Plans designed to achieve regional development convergence, especially in the Eastern and Southeastern parts of the country (Yildirim, 2009). The first Five-Year National Development Plan was designed and implemented for the period 1963–1967. Shortly after, the Second Plan (1968–1972) introduced the term “backward regions” as well as state-of-the-art planning techniques at the provincial level. Even then, the main aim of Turkish regional policies was to foster the development of the least favored eastern regions. The Third Plan period, 1973–1977, introduced policies based on intersectoral linkages between regions. This period also marked the first use of the Priority Provinces for Development (PPD) concept, which focused on industrial investments in the least favored regions. While these initiatives were partially aimed at correcting regional disparities, core-periphery relations did not allow for a structural transformation, as the capital abundant Western secular bourgeoisie remained in an advantageous position *vis-à-vis* the labor and

agricultural resources rich Anatolia region. In this context, the rise of the Anatolian Tigers should be seen as a real challenge to pre-existing regional disparities in Turkey. A central element of this challenge encompassed the longstanding dilemma between convergence and divergence, both of which were supported by considerable and opposing theoretical accounts.

The decreasing plausibility of the core-periphery paradigm, and the spatial dynamics of the rescaled state and prevalence of cities/urban centers, has not been an automatic transition, but one instituted by certain actors. In the case of Anatolian cities, as previously mentioned, Islamic networks and religious-based organizations, such as MUSIAD, were most often the catalysts of this change. While some studies, such as those by Bayirbag (2007 and 2010), have argued that it was the political character of business people's associations and their strategies of scalar representation that mattered, others regarded the new conservative bourgeoisie class as the main agent of change. The next section examines this latter perspective and gives substance to the discussion of the varieties of communitarianism in this dissertation. I identify urban growth coalitions in the cities of Anatolia as being the representatives who pioneered the emerging spatial dynamics of the post-1980s era. This section contends that urban growth coalitions in different cities of Anatolia, with their own economic development and social cohesion claims (each of which in turn have their own political implications as Bayirbag argues), represent the basis of the rise of Anatolian Tigers. It begins with an overview of the existing literature so as to establish the basis of the concept of urban growth coalitions and subsequently examines how this concept can be operationalized in the case of the

Anatolian cities.

2.3.3.2 Urban Growth Coalitions

Various theoretical perspectives have tried to approach the concept of urban growth coalitions resulting in a rich theoretical debate on the subject. Within these debates, unitary theory, growth machine thesis and regime theory provide crucial insights that underpin the concept of the urban growth coalition. Peterson (1981), writing from the unitary theory perspective, argues that a city's policymaking is typically controlled by an undifferentiated business community comprised of chambers of commerce, business people associations and pro-business local media (Peterson, 1981: 115). Peterson's conception of urban growth coalitions hypothesizes that business interests are central in development activities and so other voices have very little or no say in developmental decisions. Neighborhood groups, cultural elements such as religion, and social institutions are ignored by this theory as is the relationship between business interests and politicians.

The growth machine thesis, on the other hand, posits that development of the city represents the collective and concerted activities of growth coalitions who aim to develop and change the urban landscape. Their primary goal is to intensify land use, increase the local population base and foster demand for local goods and services (Logan and Molotch, 1987). The most important difference between this and the unitary theory is that, growth machine theory sees corporate capital as having very little direct interest in land use intensification in a specific locality (Logan and Molotch, 1987: p.84). According to Logan and Molotch, growth machines

are powered by land speculators, primarily business people involved in property investment, development and real estate financing (p. 62). While Logan and Molotch recognize that a growth machine is composed of collateral and other actors, they underline that developers and land use speculators tend to dominate the coalition. Logan and Molotch also emphasize that “the pursuit of exchange values so permeates the life of localities that cities become organized as enterprises devoted to the increase of aggregate rent levels through the intensification of land use” (1987: p.13).

Identifying consensus building is one of the central tasks of the growth machine theory (Purcell 2000). The theory shows that opposition to growth is often limited and fragmented and that the “growth is good for all belief” is generally embraced. There is often hostility towards organized labour on the premise that it might hurt a city’s chances for growth. Hence, indirectly, this approach touches on political nature of the urban growth coalitions and politics of forming alliances for the sake of economic growth. It implies that urban growth coalitions produce insiders and outsiders, although it does not tell us much about these processes. The third approach, urban regime theory fills in this gap and offers more detail on the dynamics of inclusion and exclusion.

Urban regime theory offers a distinct approach to urban growth coalitions by taking into account the role of politics. Both growth machine and urban regime theories stress the significance of the spatial uses of land, the pressures on cities to enhance their revenue streams, and the development predilections of most actors

on the urban stage (Elkin, 1995: 586). In this approach, as Elkin has noted that elected officials see their interests as tied to the interests of business people, and hence the cooperation of this sector is necessary for their own electoral successes. Overall, urban regime theory suggests that growth coalition will be dominated by land based developmental elites and elected officials, especially the mayors (Stone, 1989; Elkin 1995; DiGaetano & Klemanski, 1993).

2.3.3.2.1 Why Urban Growth Coalitions Matter?

Our inquiry into the formation and importance of urban growth coalitions is central to identifying urban growth coalitions in the cities of Anatolia in a way that transcends the existing approaches most often used to explain the emergence of the Anatolian Tigers. This inquiry has many parts. First, studying the formation and importance of urban growth coalitions, and the way these coalitions embed their projects, calls for an identification of their components as well as a discussion of the leaders and followers of these coalitions and the role played by municipalities.

Second, as emphasized in upcoming chapters, chambers of commerce and industry (often separate institutions) have played a key part in the emergence of these coalitions. Through the study of urban growth coalitions, it is possible to infer three roles assumed by these institutions. First, chambers operate as umbrella organizations that provide diverse business interests with a voice in community affairs. Second, chambers provide a range of services to communities, such as the provision of information to firms about economic opportunities, business climates and other location specific data. Third, chambers work as socializing organizations

for businesses and members of the community. Large businesses often dominate the chambers and smaller businesses follow their lead.

Third, it is important to understand the leadership and responsibilities assumed by urban growth coalitions in the context of the influence of these organizations that extends far beyond their localities. Through the processes of globalization and Europeanization, urban growth coalitions have come to play an important role in articulating local economies to international markets. The internationalization, or 'scaling up' of the city economy, creates new opportunities for local actors. For this reason, a focus on urban growth coalitions helps us to better understand "what happens to city politics when the leading economic forces are oriented to the world market" (Sassen, 1991, p. 325). This question of city politics in a context of orientation to world markets is relevant to urban growth coalitions given that global market integration and articulation increase aggregate rent. Place bound interests and local rentiers usually benefit from this process because their economic interests are tied to the exchange value of land in the city.

Cox and Mair have identified an important characteristic of place-based elites in their discussion of "local dependence," a concept that refers to the dependence of various actors (capitalist firms, politicians, etc.) on the reproduction of certain social relations within a particular territory (Cox and Mair, 1988: 307). What does local dependence mean in the context of globalization? Undoubtedly, increased capital mobility has been an outcome of the globalization process. Unlike Logan and Molotch, who provide an extensive analyses of how growth coalitions are weakened

by globalization, since decisions regarding capital investment are increasingly made extra-locally and dominant elites have begun to lose their hegemony over land use decisions, the case of the Anatolian cities posits that the globalization process may in fact increase the effectiveness of urban growth coalitions.

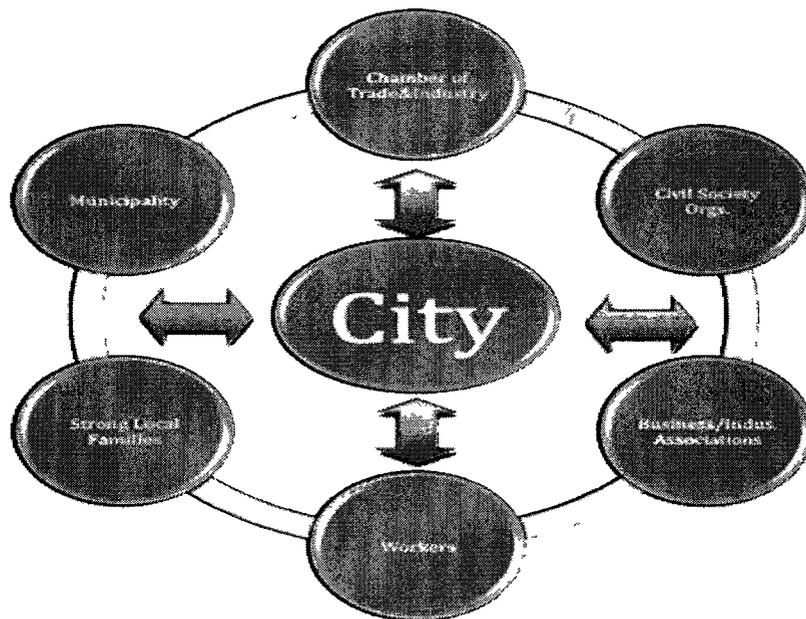
2.3.3.3.2 Urban Growth Coalitions in Anatolian Cities

In the case of the Anatolian cities, globalization forms a central pillar of the success of the Tigers. Growth coalitions became further entrenched and widened their scope by globalizing their spaces. Globalization has meant increasing production, increasing niche markets and better integration of newer technologies. It also meant, according to Keyman and Koyuncu, new organizational forms with broad societal visions, including city/locality based SIADs, local branches of MUSIAD, and Young Businesspeople Associations, that attempt to create an organic unity in their own communities. This organic unity manifests itself in the form of urban growth coalitions. Of note, the formation of these organic unities is not possible based on the efforts of these actors alone, as socially and culturally embedded local entrepreneurs require the support of other social and economic actors to operate and succeed.

Local entrepreneurs and capitalists require a coalition of broad social forces to establish more sustainable growth projects. Consequently, urban entrepreneur and business associations have developed strategies to make cities more and more competitive globally. Local strategies are thus not just the product of the agency of local entrepreneurs alone, but of wider social forces, whose economic decisions and

logic are embedded in non-economic or cultural values. The existence and success of these social forces (growth coalitions) is an important quality demonstrated by all of the successful Anatolian Tigers. Consequently, although Anatolian entrepreneurs and their interest organizations often credit their strategies to “common sense”, and especially to religion, it is not only these actors that generate local economic success stories in the Anatolian cities.

Figure 2.1: Members of Urban Growth Coalitions



The concept of an urban growth coalition as it is understood in this thesis draws attention to the consensus forged among diverse city-based actors. In other words, urban growth coalitions refer to the actors behind the making of communitarian identities. Unlike growth machine and urban regime theorists, who

focused mostly on local governments and business interests, the making of urban growth coalitions in the Anatolian cities involved prominent community members, business associations, chambers of commerce and industry, workers, local business families, municipalities and civil society organizations, as shown in figure 2.1. In this figure, the city forms the center of our analysis in terms of the way urban growth coalitions collectivize their strategies for the sake of making their city more competitive. As the figure illustrates, collectivization has been enabled by the interconnections and different forms of interdependencies among various local actors, both economic and social. These interdependencies and interconnections affect the way urban growth strategies are formed and in turn, are affected by the way these strategies play out. This is the logic underlying the analysis in Chapter 5, which focuses on forms of embeddedness.

An important feature of the strategies of the urban growth coalitions has been their breadth. Their agendas have not been limited to spatial uses of urban land, but have involved strategic policy making around municipal interscalar strategies, including relations with the nation state, and strategies to reap the benefits of Europeanization and globalization. This is in part because well-established strategies, organizational capacities and institutional commitments were required in order to reach extra-local scales. As such, the capacity of urban growth coalitions to mobilize and challenge already established power structures has not occurred in a vacuum since, for instance, the economic opportunities available in global markets have been the foundational instigators of the very collectivization of interests. Thus, in understanding the emergence and formation of urban growth coalitions, the rise

of cities and localities as new centers of economic growth and social cohesion must be studied in relation to neoliberal globalization and the rescaling of nation states. The formation of urban growth coalitions must also be situated within this context of state rescaling.

2.4 Conclusion

This chapter has attempted to construct a theoretical framework for analyzing the cities of Anatolia, which have exhibited unprecedented economic growth since the 1980s. The initial task of this chapter was to map out existing theoretical accounts. The dominant interpretation of the Anatolian Tigers has pointed to the resurgence of Islamic identity and religion-based networks of reciprocity. This approach is often associated with the study that deemed emerging Islamic entrepreneurs in the cities of Anatolia as “Islamic Calvinists”. Other studies have underlined the importance of flexible production systems, the increasing relevance of industrial clusters, and similar success stories across the world, which convey the message that changes in the functioning of the global capitalist system result in the rise of certain localities. A few studies commenced their analysis by questioning Turkey’s modernization experience and contemplating the rise of the Anatolian Tigers as part of an Islamic revival, which produced alternative modernities as contrasted to the historically established and dominant secular modernity.

This chapter contributed to these debates by introducing the concept of “varieties of communitarianism” in order to capture the experiences of the Anatolian Tigers. While the literature on communitarianism is voluminous, this

chapter surveyed the foundational debates on communitarianism first and explained how it might be operationalized in the case of the Anatolian Tigers. It was argued that the economic success of these three Tigers needs to be understood in terms of the way they have drawn on and developed different forms of communitarianism to try to embed their projects.

It was also noted that varieties of communitarianism have two critical dimensions: cultural and spatial. Communitarian efforts in the cities of Anatolia have been reinforced by a historical struggle against the Kemalist-secular establishment and their elitist modernization path. Hence, the cultural dimension is such that the Anatolian Tigers have to be seen as alternative modernities, alternative claims to development and recognition. They represented a shift from secular modernity to alternative modernities. In this context, local institutional characteristics, cultural codes, religions and other non-secular forms of organization have been deployed for the sake of local economic development.

The second component focused on the spatial implications of the rise of Anatolian Tigers. The core-periphery paradigm has been traditionally used to explain the uneven regional development of Turkey. According to this framework, Istanbul based capitalists, who were sponsored by the state, were taking advantage of the periphery (the Anatolian cities) based on the state's neglect of these cities, the lack of private capital in these cities and the perception that they were only producers of basic commodities. The theoretical discussion that followed contended that urban growth coalitions in these cities were the primary force behind their

economic dynamism and more importantly, were the entities that established the basis of communitarianism, which in turn mobilized collective interest in the cities and embedded local economic projects in social and cultural structures.

Chapter Three

Historical Background

3.1 Introduction

In the preceding chapter it was noted that the rise of the Anatolian Tigers should be understood in relation to the changes and transformations brought about by the neoliberal globalization of the Turkish political economy. The resulting rescaling of the Turkish state and the increasing role of neoliberal urban growth coalitions calls for an in-depth analysis of the historical context within which this rescaling and these urban growth coalitions have unfolded. This chapter begins with an overview of the early modernization of the Turkish state, the etatist era, which corresponds to the period following the foundation of the Republic in 1923. This overview will enable us to understand the institutional dynamics of the emergence of the state-sponsored bourgeoisie and the origins of the national developmentalist model, which took the form of an Import Substituting Industrializing (ISI) strategy in the 1960s. This historical context will pave the way for the introduction and analysis of the new actors in the Turkish political economy. The emergence of these actors will be situated in the crises and key turning points of the Turkish political economy in the neoliberal globalization era. The overarching aim of this chapter is first to lay

out the historical foundations and regional development implications of Turkey's state-capital partnership, which prescribed a national developmental model based on a narrow coalition between the state and capitalists. Second, this chapter aims to show post-1980s era emergence of new and influential actors in Turkey's political economy.

3.2 Political Economy of Turkish Modernization: 1923-1980

After the establishment of the Republic in 1923, modernization/Westernization became a constitutive part of Turkish state ideology and the secular state and secular modernization project sought a form of modernization/Westernization that radicalized the reforms of Ottoman administrators. In implementing these reforms, Kemalist ideology, the nation-building ideology of the new Republic national developmentalism, was seen as the only way forward; the only way to build the secular state.

The concept of *Milli İktisat* (national economy), pioneered by the Republic's ruling elite, allowed for the creation of a strong alliance – and sometimes 'fusion' – between the state and private entrepreneurs (Agartan 2009: 56). According to Agartan (2009), this pact was crucial to the state bureaucracy and helped advance the consolidation of its power. It should however, be noted that the scale of private entrepreneurship and capital accumulation was relatively low and this consolidation did not emerge based on, or initially lead to, high levels of capital accumulation. As Baskaya contends, the state's involvement did not yield sufficient dynamism and motivation for commercial capital (Baskaya: 2005: 12-20). At this

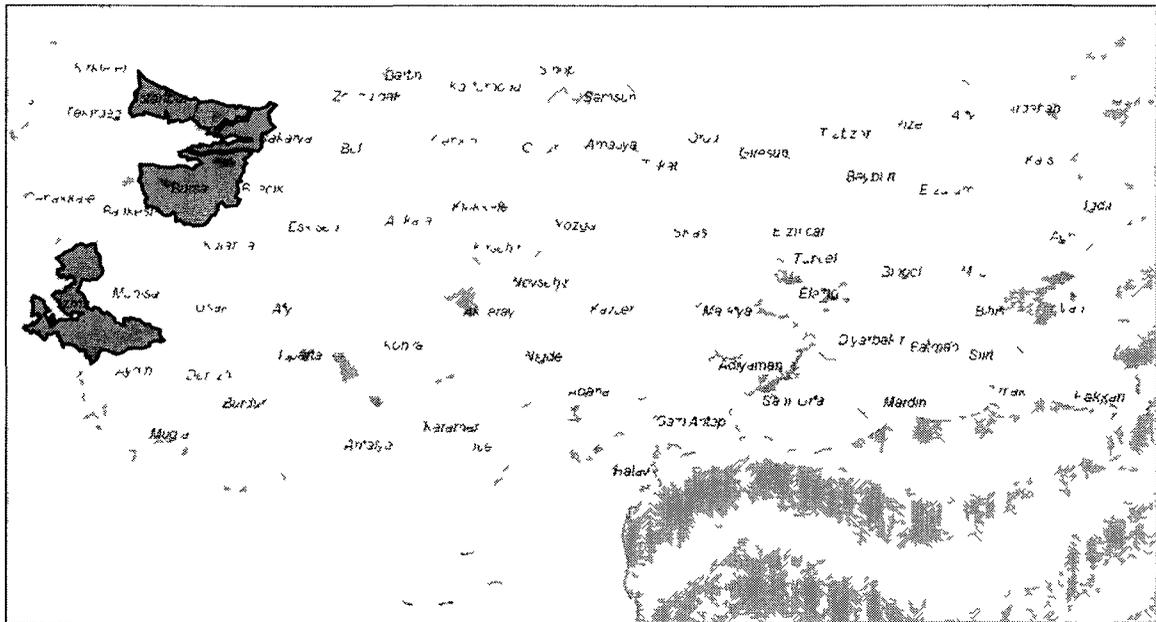
point in time, Anatolian capitalists were excluded.

The introduction of certain laws, such as the Law for the Encouragement of Industry in 1927, was also effective in providing a variety of incentives to private capitalists (Boratav 2005: 35; Keyder 1996: 132). It was again in this period that state economic enterprises in the form of state monopolies (salt, sugar, alcohol, tobacco) were formed along with those in textiles and sugar. Throughout the 1930s and 1940s, the state's role in the economic sphere rose, and economic development came to be perceived as an indicator of the wealth of the nation (Aydin 2005; Boratav 2005; Baskaya 2005). Based on this interpretation of the national developmentalist model, the state assumed the task of producing manufactured consumer goods for the national economy, in addition to providing the incentives needed for the development of the private sector. The objective of the First Industrialization Plan, introduced in 1927 was to further broaden the scope of industrial production and harness domestic resources as raw materials. Regional concerns played an important role in the allocation of the factories to be built under the plan. Sumerbank (A state owned bank) was authorized to establish and manage new factories, most of which were planned in the textiles, minerals, cellulose, ceramics (glass, porcelain) and chemicals sectors (Boratav 2002: 78). As a result of the emphasis placed on the development of the textile industry, several large-scale textile factories were established in different regions of the country. Along the same lines, the establishment of Etibank in 1935 enabled the government to secure its monopoly over mining and ore processing, and coordinate the productive use and management of these domestic natural resources. The aim of all of these initiatives

was to create a planned, self-sufficient economy by establishing the pillars of industrial development with the state acting as the handmaiden of the process (Agartan 2009).

One of the regional development implications of the above-mentioned period was the emergence of certain cities as the traditional industrial centers. Map 3.1 shows the traditional (as of 1923) industrial centers of Turkey: Istanbul, Ankara, Bursa, Izmir and Kocaeli. These cities are highlighted in red. These cities represent the early (1920s) locomotives of the Turkish Republic since 1920s, all of whom received the highest volume of public infrastructure investments (DPT 1999; Keyder 1987; Ozcan 1995).

Map 3.1 Traditional Industrial Centers



In the 1960s, Turkey's national developmentalist model assumed the form of Import Substituting Industrialization (ISI), which acquired its power from the globally disruptive spread of post-Great Depression free trade capitalism in the 1950s and 1960s. The premise of this strategy was that national resources should be transferred to the industrialization process to build industrial infrastructure. This state initiated effort took a variety of different forms such as state credits, foreign exchange incentives and the administration of large scale industrial infrastructure projects. As Boratav notes, guaranteed state contracts and protected domestic markets favored certain capitalist groups and established a mutually beneficial pact between the state and the secular bourgeoisie (2002: 81). The cities of Anatolia, except for a few public investments, were left out of this pact.

The statist industrialization of the 1930s and 1940s, despite its unsatisfactory progress, left a legacy of basic manufacturing technology and organizational structures geared towards large-scale industrial production. In terms of the critical consequences of this strategy, under ISI, the bourgeoisie increased its power through its alliance with the bureaucracy despite the continuity of state involvement in economic planning and resource allocation (Keyder 1996; Onis 1999; Pamuk 2008). Secondly, although still miniscule, international capital did have a role to play in industrialization in the 1960s and 1970s, especially in the form of aid, credits, loans, patents, knowledge and other important components of industrial production (Pamuk 2008: 23). Finally, what made the latter part of this period particularly distinctive was that ISI as an official development strategy was more encompassing than the industrialization plans of the 1930s as the five-year development plans of the 1960s and 1970s were wider in scope and focused not only on state activities in industrialization, but on guiding and regulating private sector activities as well (Boratav 2002; Keyder 1996).

The ISI model began to experience significant problems in the 1970s, in parallel to the events in developed countries. State officials slowly began to accept that the inefficient, loss-generating industries that were heavily protected, planned and regulated by the state could no longer be maintained (Onis 1999). The slowdown in the export of primary goods, due to the emphasis placed on industrialization at the expense of agricultural development, was increasingly accompanied by the insufficient development of an export-oriented manufacturing industry. These challenges emerged alongside mounting regional disparities that the

state could no longer ignore (Onis 1999).

The initial attempts of the new Republic to address regional disparity took the form of the five-year development plans. In the early years of comprehensive central planning, the main concern was eliminating differences in development levels between the eastern and western parts of the country. As part of these planned development strategies, in 1968 provinces were grouped into two categories: priority and non-priority provinces. Priority provinces were mainly located in the east, whereas non-priority provinces were largely in the Aegean and Marmara regions, in the western part of Turkey. The government provided direct and indirect support for the development of priority provinces through direct state investments, subsidies and other incentives to persuade private enterprises to make investments in these regions. The main objective was to increase the growth rate of priority provinces more than that of non-priority provinces and hence, to reduce provincial development disparity. Initially, only 23 out of 67 provinces were classified as priority provinces; this number increased to 50 of 80 in the 1990s.

Map 3.2 highlights the cities that have industrialized largely as a result of five-year development plan interventions beginning in the 1960s. These plans were again, nationally administered attempts to regulate the national economy by identifying those regions in need of greater state support (Ozcan 1995). As Map 3.2 shows, the beneficiaries of the five-year development plans (those cities highlighted in green) were predominantly cities that neighbored traditional industrial centers (those highlighted in red). In terms of sustaining a convergence and establishing a

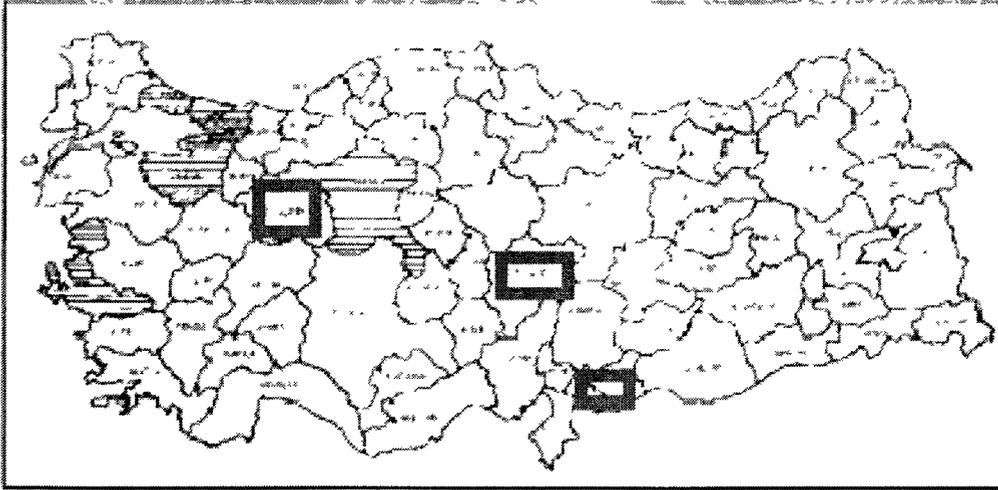
real break in terms of ongoing regional disparities, the initial five year development plans were still lacking.

Map 3.2 Secondary Industrial Centers

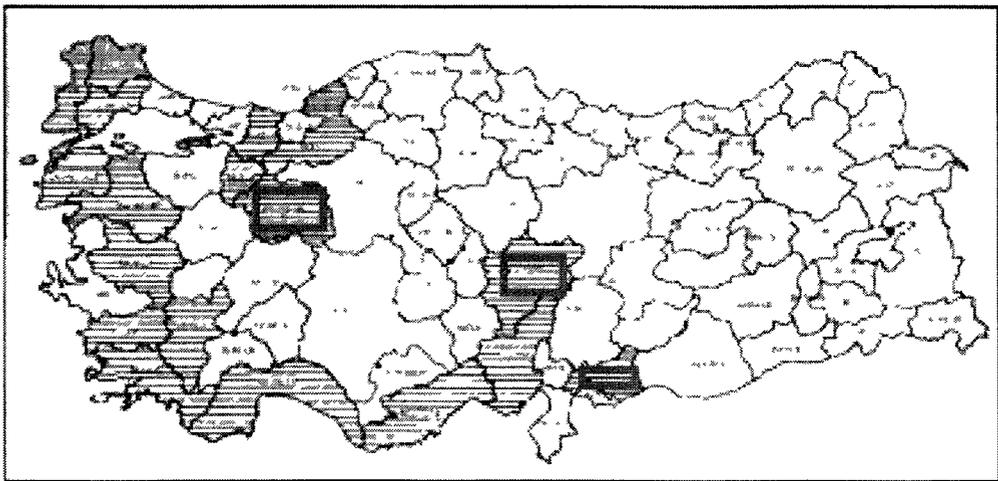


Maps 3.3 to 3.7 show the disparity between the East and West based on the socio-economic development index of the State Planning Organization (DPT, 2003). The cities on the maps are shaded according to their socio-economic development level. Map 3.3 shows the socio-economically most developed cities, known as First Level Developed Cities. Map 3.7 represents the least developed cities, or Fifth Level Developed Cities according to the DPT's definition. The maps clearly point out a condensation of most developed, second most developed, and third most developed cities in Western regions, with the remaining two least developed categories being cities in the Eastern region.

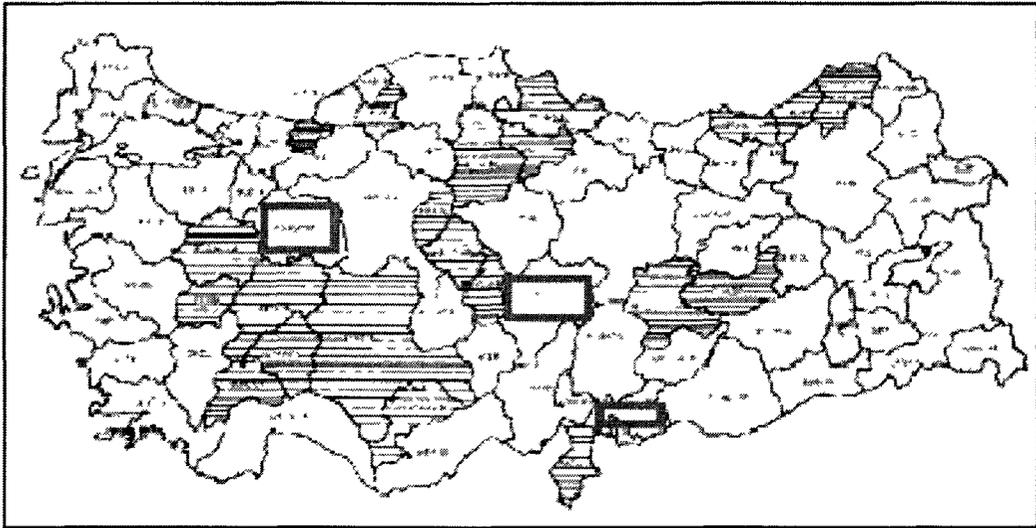
Map 3.3 First Level Developed Cities



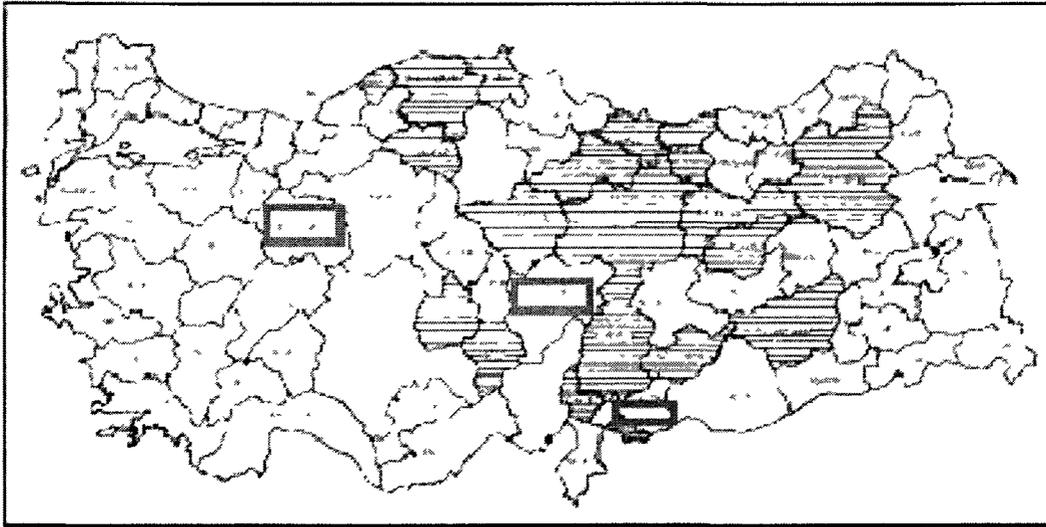
Map 3.4 Second Level Developed Cities



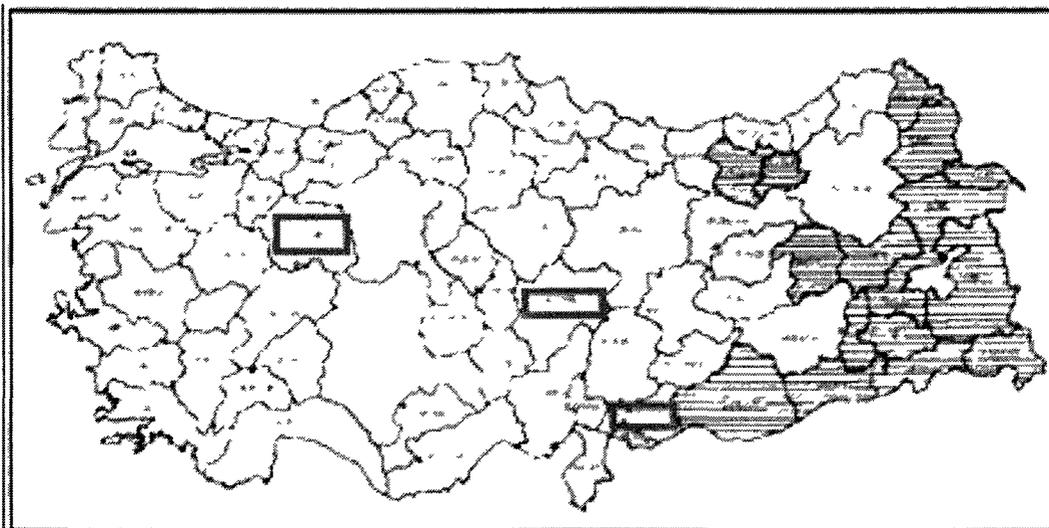
Map 3.5 Third Level Developed Cities



Map 3.6 Fourth Level Developed Cities



Map 3.7 Fifth Level Developed Cities



Sources: State Planning Organization. Adopted from various reports on regional development in Turkey.

3.3 Crises and Turning Points in the Turkish Political Economy: Post-1980s

In the 1980s, but more intensely in the 1990s, Turkey's modernization discourse, that of creating an organic unity in society framed by Kemalist ideals, state-centricism and national development, faced a serious legitimacy and representation crisis (Keyder, 1997). The most visible aspect of this crisis was that Turkish modernity was increasingly marked by the co-existence of economic liberalization and the resurgence of traditionalism with an appeal to 'return to authenticity' (Keyman and Koyuncu 2005). It should be noted that the emergence of this co-existence was not only national, but global in nature.

As the Turkish economy become more and more entrenched in processes of globalization in the 1990s, it became apparent that the Kemalist state faced serious difficulties in responding to new societal problems and demands, especially those articulated in identity terms, those demanding the protection afforded by social and political rights, and those demanding the recognition of the ethnic and religious differences (Keyman and Koyuncu 2005). The strong state turned out to be too strong in its attempt to impose itself on society, and too weak to govern society effectively (Keyman and Koyuncu 2005). Thus, the strong state faced (and still faces) a serious legitimacy problem in maintaining its position as the primary context for politics given a shift towards civil society and culture as new reference points for the language and terms of politics.

In contrast to the center's historical economic domination over the periphery,

neoliberal globalization created economic opportunities for new actors in the periphery. These opportunities were partially rooted in Turkey's crises ridden atmosphere of the 1980s and 1990s. These crises created space for the argument that the only way in which Anatolian capitalists could compete with Istanbul-based capitalists was through free markets and the liberalization of economies. In other words, the changes brought about by the neoliberal globalization of the Turkish economy and the liberalization and further democratization of Turkish politics, fostered a learning and expansion process for the historically excluded Anatolian capitalists through which they acquired new qualities and new influence.

Map 3.8 shows the cities commonly known as Anatolian Tigers. Three of these cities, Kayseri, Gaziantep and Eskisehir, constitute the empirical section of this study. The emergence of the Anatolian Tigers also marks a shift from the way state spaces are produced in Turkey, since despite the earlier state interventions of public investments and five-year development plans, the Anatolian Tigers succeeded primarily through city-based efforts. This shift has revealed the possibility of alternatives to Turkey's secular modernization experience that was reinforced by intensive state involvement, operated within the core-periphery paradigm, and failed to make any progress in the reduction of regional disparities.

Map 3.8 Anatolian Tigers

program in the history of the Turkish Republic. Ozal's neoliberal agenda sought to reduce government involvement in productive activities, stimulate market forces, establish the principles of a free market economy, promote export-oriented industrialization, and attract foreign investment. The resulting outward-oriented accumulation, from 1980 to the late 2000s, can be roughly categorized into three phases: (i) from 1980 to 1989: accumulation through export promotion and wage suppression; (ii) from 1989 to the late 1990s: financial sector oriented speculative growth; and (iii) 2000 onwards: accumulation based on the inflow of international capital and a new export market focus (Onis 2006b). Figure 3.1 lays out the major crises and other cornerstones of the Turkish political economy in relation to these phases, and helps us to better understand the temporal categorization of the post-1980s period. Based on Figure 3.1, it is clear that each phase has had its own socio-economic and spatial impacts on Turkey, and more specifically on the Anatolian cities.

The main characteristic of the 1980 to 1989 period was the integration with global markets through commodity trade liberalization (Onis 2009). As outlined in Figure 3.1, the main pillars of Turkey's neoliberal globalization experience, which began in this period, were export promotion through strong subsidies, the suppression of wages, a managed floating exchange rate and regulated capital movements. The suppression of wage incomes was made possible by the post-military coup authoritarian regime that held power from 1980 to 1987. The direction and components of this phase began to crumble in the late 1980s when the export drive lost its momentum and a new wave of labor protests led to substantial

increase in wages. At this point, Turkish capitalist classes had to resort to external financial liberalization as a unique opportunity to overcome the country's internal difficulties.

In Figure 3.1, the phases of the Turkish economy are introduced in relation to their main turning points, such as the financial crises, that while experienced nationally, were sometimes triggered by global conditions. Figure 3.1 summarizes the factors and origins involved in the unfolding of the turning points. These factors reveal that the emergence of the crises were mostly related to the increasing liberalization of the Turkish economy, and more specifically to the immature steps taken in terms of the intensity of liberalization. Figure 3.1 also illustrates the impacts of the turning points and crises by drawing attention to the scale on which the consequences were most felt. While "impacts on Turkish economy" attempts to highlight the national scale consequences, "impacts on Anatolia" reflects the consequences at the city level, based on the stories of the Anatolian Tigers. The bottom row, "spatial consequences" summarize how spatio-institutional and organizational forms emerged in different phases. Turkey's neoliberal globalization period witnessed many new spatial establishments in contrast to the ISI period of the 1960s and 1970s, including industrial zones, free trade zones, organized industrial zones, as well as organizational forms that have been jointly initiated by the European Union, local municipalities and city-based chambers of commerce and industry.

Figure 3.1: Crises and Turning Points in the Turkish Economy

	1980	1989	1994	1996	1997	2000/2001	2008-2009
Nature of the Turning Point	Crisis of the ISI Regime; Military Intervention on September 12 th , 1980.	Liberalization of Capital Accounts and Turkey's financial integration to global markets	1994 Macroeconomic Crisis	Custom's Union Agreement with EU on January 1 st , 1996.	February 28 th , 1997 Post-Modern Military Coup due to anti-secular threat from the Islamist government. MUSIAD's Institutional lineage had a turning point. MUSIAD's political affinity with Welfare Party weakened and became a moderate institution	"Twin" Macroeconomic Crises	Global Economic Crises which began in the US.
Factors - Origins	Increasing fragility of the international economy due to Oil Crises; increasing current account deficit given increasing input costs; increasing left-right conflicts in Turkey; political and economic instability		Premature liberalization of capital accounts in 1989; excessive reliance on short term financial capital; export stagnancy; increasingly consumption-oriented imports due to liberalization; increasing salaries of public/civil servants; increasing public sector borrowing requirement rate leading to excessive domestic imbalances.	Increasing influence of Europeanization on Turkey's economic and political life.		Enormous instabilities within private and public banks leading to balance of payments and current account imbalances combined with massive speculative capital flight by foreign investors; political instabilities of the Coalition Government under Democratic Leftist Party.	Real estate markets and subsequent spread to other markets around the world.
Impacts on Turkish Economy	Increasing involvement of international actors (IMF, OECD and WB) through SAPs; gradual transition to an outward oriented liberal economy starting with January 4 th 1983 decisions by military sponsored Ozal government.		IMF and EU become key actors through the Customs Union; increasing domestic demand brought about by salary increases; real exchange rate overvalued; increasing imports; decreasing exports; nominal wages decreased by 65%.	Increasing exports to EU countries without tariffs and other limitations.		Most destructive economic crises in Turkey's post-war period; soaring unemployment (16%); Turkish Lira loses 50% of its value over night; interest rates jump by 6000%; Treasury reserves decrease by \$200 billion.	Unemployment around 14%; increasing current account deficit.
Impacts on Anatolia	Anatolian capitalists benefited from liberalizing the		Two devaluations in 1994 by the Ciller government provided incentives for export	Increasing involvement of EU information		Decreasing domestic market opportunities for Anatolian capitalists;	Increasing reliance on trade with post-war

	economy and found exporting opportunities through export credits, Eximbank credits, tax incentives, research assistance into foreign markets for exporting companies, and state supports for local entrepreneurs who establish foreign stores, branches or offices.		opportunities; impact of increasing government expenditures remained limited due to limited SEEs in cities such as Kayseri and Gaziantep; increasing export activities to Russia and Turkic Republics as domestic market shrank.	offices in partnership with Chambers of Commerce; increasing interest of European capital (Dutch, Italian and German) in cities such as Kayseri, Gaziantep, and Eskisehir; increasing exports to EU countries.		similar to 1994, devalued TL benefited Anatolian entrepreneurs; increasing exports to Islamic African and neighbouring countries; increasing efforts to invest in branding, trade marking and quality management; realization that fason production is no longer a viable method.	Iraq and other neighboring countries; Turkey's foreign policy strategies with Arabic countries eased relations and Anatolian capitalists benefited significantly; increasing relations with African markets less prone to global crises.
Spatial Consequences	Increasing number of Organized Industrial Zones, Industrial Sites and Free Trade Zones		Increasing privatization of SEEs (State Economic Enterprises), both nationally and municipally.	Increasing involvement of Anatolian cities in sister city projects with European counterparts; establishment of ABIGEMs and EuroChamber Offices; indirect technical support to OIZs in cities such as Urfa.		Increasing focus on city marketing, branding, and trade marking activities; increasing demands from transnational capital; increasing joint efforts to establish Techno parks; joint university-industry projects; better marketing of city's historical richness and multipurpose shopping centers; spatial arrangements to make cities more competitive.	Decreasing capacity of OIZs; increasing unemployment.

The first turning point in the post-1980s period was the January 24th 1980 economic program. It aimed at a significant restructuring of industrial capital in order to render its structure more consistent with a new mode of accumulation mandated by global structural changes that were visible in both developed and developing country contexts. The initial impact of the liberalization of the Turkish economy was the growth in Turkish exports, which rose as a share of GNP from 5.3% in 1972-76 to 10.8% in 1983-87 (Boratav and Yeldan, 2002). An important instrument in increasing export promotion was its institutionalized nature.¹ The intention of the January 24th legislation was to create a vibrant export sector based around a limited number of large-scale companies in a position to compete successfully in international markets (Onis, 1991: 31).² The major beneficiaries of this export support were companies based in Istanbul, Ankara, Izmir and Bursa. Anatolian capitalists were largely left out. (Onis, 1991: 35).

Liberalization of the capital account through Decree No. 32 in August 1989 marked the second turning point in Turkey's post-1980 accumulation regime. The most significant cause of this shift was the need to finance the mounting fiscal deficit that resulted from the rise in real wages in the late 1980s. The central impacts of this institutional shift were the advantages that accrued to certain capitalists

¹ The legislation, which introduced the famous January 24th decision, stated that companies that surpassed a pre-specified export target would become eligible for tax rebates.

² The state consciously encouraged the formation of a group of companies directly dependent on a special set of incentives it provided. These companies were thought to function as "the long arm of the domestic industrial capital in reaching the foreign markets at a centralized scale" (Yeldan, 1995: 51). FTCs, by law, were not allowed to engage in production and investment activities. However, they evolved as "the marketing outlets of domestic corporations, and organic links existed between FTCs and the major domestic industrial, trading or construction conglomerates" (Onis, 1992: 77-8).

through the transfer of resources to big capital groups as holding banks became central agents of the domestic market (Yeldan, 2001; Karakas, 2003 in Agartan 2009). In the 1990s, Turkey became a playground for speculative international money flows such that the formation of productive capacity in the country was neglected. Sensing the possibilities for gain, banks quickly abandoned their primary functions and instead pursued speculative opportunities (Yeldan, 2001). In other words, the financial capital that circulated through short-term capital flows was channeled to big capital groups who amassed both financial and productive capital (Karakas and Ercan, 2006 in Agartan 2009). These capital groups boosted their profits and established immense control over the economy as a result of the integration of money, commodities and productive capital. Such opportunities were not open to the Anatolian petit bourgeoisie (Onis, 2002).

The economic crises in Turkey in 1994, 1998, 2000 and 2001 should be understood in the context of this split productive sphere. It would be misleading to see these crises simply as 'financial crises'. When we look at the 1994 crisis, for instance, the fluctuation in growth rates reveals that the crisis was rooted in this sphere. These crises and the changing nature of the Turkish economy, as discussed above, had important implications for the agents of the periphery. Thus, the rise of the Anatolian Tigers should be evaluated within this shift. Successive financial crises and an increasing emphasis on finance capital by the Istanbul-based bourgeoisie meant increasing production demand for Anatolia. This occurred at the same time that the financial crises brought significant currency devaluations. Each round of devaluation provided relative advantages to the Anatolian producers by increasing

the value of their foreign exchange returns in international transactions. Increasing exports of labor-intensive goods also had important consequences for the historical conflict between Istanbul-based big holding companies and small Anatolian firms. As Turkish exports became more and more labor-intensive, a number of smaller Anatolian cities with non-unionized workforces, where households could be incorporated into subcontracting deals, began to emerge as regional industrial centers (Agartan 2009; Keyder, 2004). While 90% of the 500 largest industrial enterprises in Turkey were located in the five most developed provinces in 1980, this ratio dropped to 20% by 1996, evidence of a geographical shift of large enterprises in favor of the Anatolian provinces (Eke, 1999).

As these Anatolian firms grew, they were forced to find new sources of finance in order to survive and grow. However, given that the major banks were owned by the big holding companies, local Anatolian capitalists were unable to find the credit they needed in the banking sector. According to Demir *et al* (2004), there were two types of external financial sources they subsequently accessed to acquire the needed capital. The first external financial source was the interest-free banking (or, as they are sometimes called, Special Finance Corporations) allowed by Turkish law since 1983 (Ozcan 2000; Demir *et al* 2004). Special Finance Corporations were first founded as foreign-owned investments (for example, Al Baraka, Faisal Finans, and Kuveyt Turk). After a certain period of trust building and stability, domestic capital began to show interest in the field. According to Demir *et al* (2004), these interest-free special finance corporations helped Anatolian capitalists accumulate capital in multiple ways. First, they attracted the savings of religious persons who did not use

traditional banks, thereby bringing new funds into the system. Second, they provided financial resources to the religious business circles that did not use banks for capital loans, hence contributing to their development (Demir, *et al.* 2004).

The second most important external financial source of Anatolian capital was the remittances sent by Turkish citizens working in many European countries, especially Germany, the Netherlands and Belgium (Demir, *et al.* 2004). These remittances were often made through companies aligned with various Islamic groups that were spreading rapidly among those Turkish workers abroad who placed significant weight on protecting their religious identity while in Europe (Demir, *et al.* 2004). Workers' foreign exchange holdings were invested in real estate in the early years, and then in other investment areas, which diversified their business portfolio and allowed them to begin to make international investments.³

While most holding companies and SMEs in Anatolia were predominantly Islamic, there also existed other types of holding companies and SMEs. In Gaziantep, for instance, SANKO Holding, owned by the Konukoglu family, is an establishment of similar size to its counterparts in cities like Kayseri, Konya and Corum, but benefits much less from the contributions of the Islamic bourgeoisie and Islamic workers abroad. Thus, a balanced characterization of Anatolian capitalists must take into account the different means of capital formation. According to Demir *et al.* (2004) and Kosebalaban (2007), Anatolian capitalists in this regard can be categorized into

³ Large companies that grew rapidly in Anatolia and were founded primarily with the savings sent by workers abroad included Kombassan, Buyuk Anadolu Holding, Yimpas, Endustri, Sayha, Ittifak and Jet-Pa (Demir, *et al.* 2004).

two groups: (i) small companies that came from traditional petit-bourgeoisie backgrounds (artisans and merchants) and grew in sectors like textiles, furniture and food using the incentives provided by the organized industrial districts and entered international markets through subcontracting relationships with big domestic or foreign capital groups; and (ii) companies that grew through the opportunities provided by Islamic local governments after 1994 in sectors like construction, retail trade and urban consumption. After the economic crisis of 1994, these companies were able to benefit from the devalued Turkish currency and focus their attention on Russia and other Turkic countries where there was an increasing demand especially for construction material. Prior to 1994, the Istanbul-based companies ENKA and Garanti Koza were the only Turkish companies engaged in the construction sector in Russia and the Turkic Republics.

For the Anatolian capitalists, the 1990s were critical in terms of providing a new learning environment and learning experiences. The learning environment was multifaceted, in the sense that Anatolian entrepreneurs started to establish direct contacts to European and North American producers and conducted visits to learn about transferable production facilities, mechanical infrastructure and technical characteristics. Their learning was also related to political ideology, as Anatolian capitalists with strong links to the Islamic RP, known for espousing radical Islamist discourses, learnt that the moderation of Islamic discourse was a requisite for international business success (Kosebalaban 2007; Onis 2001). This was more applicable to entrepreneurs in Kayseri and Konya and less applicable to those in Eskisehir, Gaziantep, Denizli and Corum. A third aspect of their learning was related

to target markets. Anatolian capitalists were exposed to the globalization of capital and trade, and learned that domestic instabilities could be overcome by targeting global markets. They organized on the basis of the primacy of the global market, realized that market relations required rational and long-term strategies, and came to understand that in order to be secure and successful in (globalized) economies, organizational capabilities oriented towards technological improvement and strategic planning in production and investment were necessary.

The means through which new economic actors attained these important organizational capabilities were not strictly economic. These actors, including MUSIAD, SIADS and Chambers of Commerce and Industry, developed their own urban growth coalitions embedded in an historical articulation of economy and culture. Thus, these actors came to act not only as economic interest groups, but also as pressure groups and civil society organizations, giving voice to different identities, recognition claims and citizenship rights, which in turn generated different societal visions and signified the emergence of 'alternative models of Turkish modernity'.

3.4 New Actors in Turkey's Alternative Modernities

TUSIAD

Up until 1990, TUSIAD (Turkish Industrialists and Businesspeople Association) had been the most vocal of a number of business associations. Historically, it represented large Istanbul-based holding companies; as the 1989 Company Profiles

Report showed, the vast majority of Turkey's 500 largest companies were from Istanbul and Izmir. TUSIAD has no branches, but has three representations in Ankara, Brussels, and Washington DC. Currently, TUSIAD is still seen as "the largest and most influential business umbrella organization and political pressure group in Turkey. As of 2001, TUSIAD members generated 35.5 percent of Turkish exports and 20.8 percent of imports in goods and services" (TUSIAD Brochure, 2001 and Keyman and Koyuncu 2005).

The new divisions among capital, reinforced through the internationalization and globalization of the Turkish economy, crystallized in the 1990s. These divisions were further complicated by other business identity characteristics including size, function, region, and sector, as well as religious and cultural orientation. Throughout the 1990s, a multitude of new business associations emerged to better represent these complex divisions and companies. Thus, when Anatolian capitalists were unable to find representation in TUSIAD or The Union of Chambers and Stock Exchanges (*Turkiye Odalar ve Borsalar Birligi*, TOBB), they founded the Independent Industrialists' and Businessmen's Association of Turkey (MUSIAD) on May 5, 1990.

MUSIAD

MUSIAD (Independent Industrialists and Businesspeople Association) today is one of the largest voluntary business associations in Turkey comprised of 3359 members, 28 branch offices and 66 overseas focal points in 31 foreign countries.⁴

⁴ For details, <http://www.musiad.org.tr>

MÜSIAD was founded in Istanbul by twelve young Turkish businessmen, with an average age of 33 (Önis: 1997: 758). MUSIAD has historically been seen as TUSIAD's major opponent. They have been competitors not only in terms of representing economic interests, but also ideologically, as MUSIAD is generally perceived of as a conservative gathering, representing burgeoning religious interests and the rising pious bourgeoisie. Based on data available in MÜSIAD's member database, MÜSIAD members are active in a variety of sectors including construction and building materials, services, textiles and leather, machinery and automotives, food, chemistry, metal and mining, durable consumer goods and furniture, impressions, publishing, packaging, advertising, information technologies, health, and energy (Dogruoz 2008). MÜSIAD membership "consists predominantly of small and medium scale firms, but also includes a limited number of large companies" (Önis and Türem 2002:447). As Bugra's (1999) research indicates, the majority of the member companies of MÜSIAD employ less than 50 workers.

Other important characteristics of MÜSIAD include the geographical spread and global accomplishments of its members (MUSIAD Year Book 2011). According to MUSIAD's member profile, MÜSIAD has members in 50 of Turkey's 81 cities. There are a considerable number of members condensed in the major metropolitan centers such as Istanbul, Bursa and Ankara, as well as in key traditional inner Anatolian cities like Konya and Kayseri. MÜSIAD members also include firms from smaller Anatolian cities: Denizli, Gaziantep, and Corum. A number of these small to medium scale firms have succeeded in establishing themselves as significant exporters of manufactured goods to the international markets, are engaged in

strong collaborations and partnerships with globally known brands, and have articulated themselves to international trade flows through international fairs and exhibitions.

As Dogruoz (2008) notes, MÜSIAD performs a number of important activities for its members including publishing periodicals, organizing international fairs and mass trips to foreign countries, conducting educational seminars and panels, and welcoming “business groups, ambassadors and consulates from other countries to develop business relations” (Çemrek 2002 in Dogruoz 2008). The aim of many of these endeavours is to encourage “its members to be more global and export-oriented” (Çemrek 2002:175). It also organizes social and religious activities including picnics, pilgrimages, *umrah* travels (religious travel to Mecca any time of the year) and *iftar* (breaking the fast during Ramadan). Dogrusoz summarizes that within the case of the MÜSIAD, Islam functions in three ways: as a source of common bond and social capital, as symbolic capital, and as raw material for an alternative model of modernity. Islam’s role as symbolic and social capital is crucial for members as Islam functions as a legitimization tool and social link (Dogrusoz 2008).

Businesspeople and Industrialists Associations (SIADs) and Chambers of Industry and Commerce

Along with MUSIAD, a number of other business associations were created in the 1990s and reflected the new capital geographic divisions. City and regional-based industrialist and business organizations emerged as significant interest

representation organizations and as economic and cultural actors with their own strategies and local forms of mobilization. Unlike MUSIAD and TUSIAD, SIADs were not directly affiliated with a political party or political organization. While MUSIAD had organic links with the Islamist Welfare Party and then Justice and Development Party (AKP) (Onis 2002, Dogrusoz 2009, Bugra 2002), TUSIAD had strong ties to the secular Republican People's Party (CHP). In interviews, SIAD representatives indicated that they support the party that keeps the pace of the economy strong, and keeps their machines working.⁵ Another important difference among MUSIAD, TUSIAD and SIADs is that the latter are city and region based. In Turkey there are 124 city-based SIADs with about 9,000 members. Even though they are not as strong nationally, they are important members of the urban growth coalitions established in Anatolian cities. Despite these differences, SIADs remain quite similar to TUSIAD and MUSIAD in terms of their positive attitude to economic globalization, their support for Turkey's full EU membership, their adherence to free trade ideology and their critique of the existing politico-economic order that privileges the strong state tradition.

As Keyman and Koyuncu (2005) argue, there are many reasons for the prominence (and significance) of SIADs among Anatolian Tigers. SIADs promote conservative and communitarian societal visions over liberal individualism and have played a key role in the formation of urban growth coalitions. SIADs are

⁵ Interview with Namik Subasi from GESIAD (Kayseri); Adil Sani Konukoglu from GAGIAD (Gaziantep) and Cemalettin Sarar from ESIAD (Eskisehir).

explicit about the belief that achieving economic success is sustained through the organization and protection of cultural life which serves as a source of collective action and unification around the “common good.” SIADs (along with Chambers of Industry and Commerce) provide a fertile ground for deciphering the role of culture in economic development since they allow us to better diagnose cultural and organizational ties among powerful actors in the community.

I consider SIADs and Chambers of Industry and Chamber of Commerce together because in the cities investigated here, the membership structures of SIADs and Chambers are very similar. In Kayseri, 98% of GESIAD (Young Industrialists and Businesspeople Association) members also belong to the Kayseri Chamber of Industry and Commerce. In Gaziantep, 90% of GAGIAD (Gaziantep Entrepreneurial Businesspeople and Industrialists Association) members are members of the Chambers of Industry and Commerce, and 100% of GAPGIAD (Gaziantep Inter Solidarity Entrepreneurs and Businesspeople Association) members and 96% of HURSIAD (Free Industrialists and Businesspeople Association) members belong to the Gaziantep Chamber of Industry (GSO). In Eskisehir, 94% of ESIAD (Eskisehir Businesspeople and Industrialists Association) members are also Eskisehir Chamber of Industry (ESO) members. The numbers for the Chambers of Trade in each city were either not available or were confidential.

Given this very significant overlap in membership, it is not surprising that the presidents of the Chambers are also leading members and sometimes presidents of the SIADs. In Kayseri, Mustafa Boydak, head of Boydak Holding, is the president of

the Kayseri Chamber of Industry (KAYSO) and on the executive council of the Kayseri Young Businesspeople Association (GESIAD).⁶ When the executive council of GESIAD is analyzed, 80% of the council are also on the executive council of KAYSO.⁷ Similarly, in Eskisehir, Cemaletting Sarar, owner of Sarar Holding, is president of ETO and an ex-president of ESIAD. In Gaziantep, Osman Nakipoglu, owner of Naksan Holding, and his son Necip Nakipoglu, are head of Gaziantep MUSIAD and leading members in the GSO.

This membership duplication and leadership sharing naturally prompts questions about the separateness of the Chambers and SIADS. In other words, if they are so similar, why are they still independent institutions? As noted above, SIADs are city-based versions of MUSIAD and TUSIAD whose scope is limited to local businesspeople and industrialists. While SIADs act as associations and their legal status allows them to organize local-national-international fairs and exhibitions, they are limited in terms of formally contacting municipalities, organizing official visits abroad and conveying demands to the national government. Chambers complement the work of SIADs. Chambers of Commerce and Industry operate under Law 5174 of the Turkish Chambers and Stock Exchanges which allows them to become involved in municipal affairs, establish strategic plans, and most importantly, work in tandem with financial institutions, banks, the Turkish Ministry of Trade and Industry, and Eximbank (a Turkish public bank founded in the 1960s

⁶ For details see http://www.kayso.org.tr/kurumsal/index.php?sayfa_no=5

⁷ For details, <http://www.kayserigesiad.org/>

to provide credit to exporting firms) in terms of locating international credit, export guidance and training, interacting with foreign chambers and establishing international contacts. The importance of chambers to urban growth coalitions is based on their leading role in the establishment of Organized Industrial Zones, Smaller Industrial Units, Free Trade Zone and the coordination of University-Industry linkages.

Greater City Municipalities:

As Ozcan (2000: 219) has noted, Act 3030, which was passed in 1984, introduced the concept of a greater city municipality. It also specified the roles and responsibilities of small municipalities/districts and their relationship to greater city municipalities (2000: 215-220). This act marked an important step towards decentralized and more independent local governments as well as new opportunities for local collaborations based on the additional powers granted to mayors. The greater autonomy enjoyed by municipal leaders provided a new space for other local actors to interact and negotiate with them with respect to key urban projects, procurements and other undertakings related to city fortunes. Mayors became crucial figures in the formation of urban growth coalitions and their political stance and provenance made an important difference in the way urban growth coalitions were organized and the way they embedded their neoliberal projects.

Currently, there are fifteen greater city municipalities in Turkey. Kayseri, Eskisehir and Gaziantep are among these fifteen cities. Act 3030 gives these

municipalities governing power and co-ordination of small municipalities. Ozcan (2000) identifies some of the other crucial duties of the greater city municipalities as:

1. To develop investment plans and programmes for the city.
2. To develop and implement a master zoning plan.
3. To approve and control the implementation of urban development plans.
4. To execute water, public transport and sewage services.
5. To co-ordinate affairs between districts and township municipalities and to mediate disagreements between municipalities.

Unions:

Modern Turkey has been predominantly served by two organized labour unions: Turk-İş and Hak-İş. Türk-İş is the largest union, comprised mostly of members from the cities that I have characterized as Traditional Industrial Centers. Before the 1980 military intervention when most of its activities were suspended, Turk-İş, a left-leaning labour organization, was a highly politicized actor.⁸ In most Anatolian cities, Hak-İş has become and remained the most powerful labor union (Kus and Ozel 2010). Hak-İş has traditionally drawn members from conservative and religious establishments and workers, and has gained strength and influence from

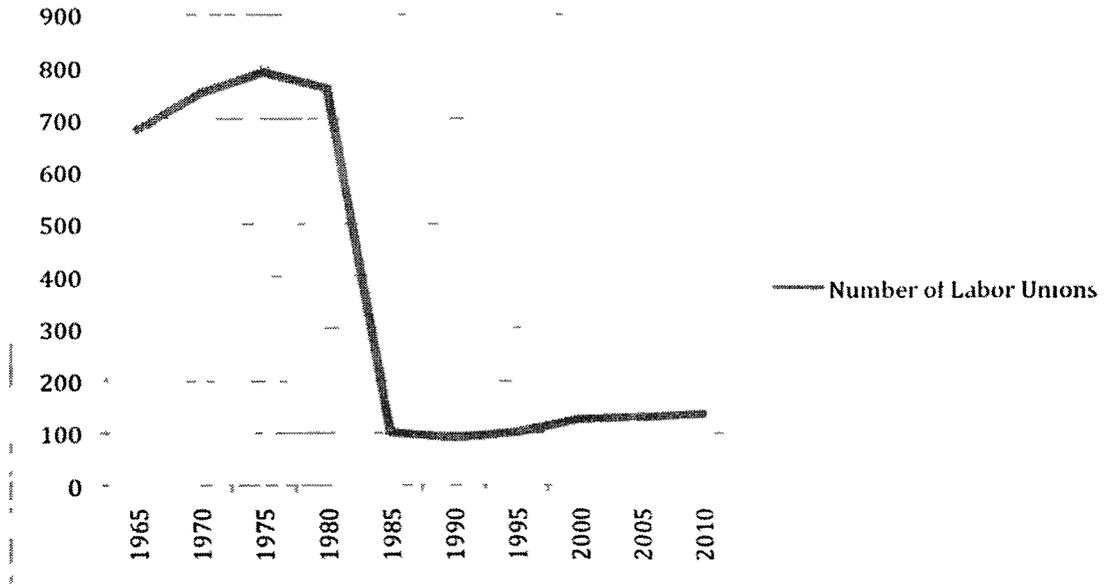
⁸ Turk-İs remained more active in the relatively more industrialized cities where state economic enterprises and large energy plants were located, such as Kocaeli, Sakarya, Karabuk and Adana.

cities such as Kayseri, Konya, Corum and Maras, which themselves tend to be more religious and conservative. Their strong relationship with the National Salvation Party and then Welfare Party is indicative of the significant common interests of these organizations (Onis 2001).

As Figure 3.2 shows, the number of labor unions in Turkey decreased significantly after 1984. As Kus and Ozel (2010) note, following the military regime's policy of supporting Islamic identity claims in order to weaken the leftist tendencies of workers, Hak-İş was permitted by military authorities to resume activities. The decreasing capacity of Turk-İs and the emergence of Hak-İş as a confederation representing a form of unionism based on national and religious values, had great significance for the Anatolian Tigers. Hak-İs was founded in 1976 with seven unions and 20,000 worker members and the support of the Islamist MSP (National Salvation Party), as part of the party's attempt to extend its sphere of influence into the labor movement (Kus and Ozel 2010). Hak-İş assumed a different strategy than Turk-İs by perceiving the conflict between labor and capital as an issue that could be superseded by Islamic connections. It was believed that the interests of employers and employees could be reconciled through the identification of common ground based on similar religious feelings. For instance, some of its major demands in collective negotiations involved small mosques in factories, and time off for individual and collective prayers and pilgrimage (Kus and Ozel 2010).

Figure 3.2

Number of Labor Unions 1965-2010



Source: State Planning Organization (2011) and adopted from Kus and Ozel (2010).

Hak-Is' local affiliate in Kayseri, OzIplik-Is, offers an illuminating example of the common ground strategies used by Hak-Is. OzIplik-Is has been critical in Kayseri where, as Satoglu (2009) notes, "harmony and cooperation" in work and employer-employee relations is sought through a social partnership where each actor has responsibilities. This understanding is described by Saffet Arslan, from Ipek Holding: "I should behave to my employee as a father, thus even in recession I abstain from lay-offs, and reciprocally an employee should protect the employers' rights by providing maximum productivity" (Satoglu 2009). This perspective also highlights the fact that even though the communitarian efforts created through societal and territorial embeddedness generate winners, the gain is not equally distributed. The social dialogue, or the so-called "social partnership," emphasized by

leading entrepreneurs ignores the disproportionate burdens placed on the invisible architects (the workers) of the economic success stories.⁹

In Eskisehir, Hak-Is was not able to establish affiliated local unions given the city's leftist orientation and the fact that the relatively higher number of state enterprises in Eskisehir were already under agreement with Turk-Is. In Gaziantep, the influence of Hak-Is has been limited to companies with Islamist tendencies, such as Naksan Holding. The nationalist orientation of the city somewhat prevented Hak-Is from being fully effective and instead allowed unions such as Egitim-Sen, Tek-Sen and Gida-Sen to increase their presence and visibility. It should also be noted, and will be discussed further in the next chapter, that Gaziantep has had the most extensive informal workforce, another significant factor in the relatively poor visibility of labor unions.

3.7 Uniqueness of the Cities

The above mentioned portrayal of the urban growth coalitions and the historical context within which they are embedded necessitates that the uniqueness of the cities should be studied by taking into account the city histories. While the next chapters will take stock of the major leading actors and the historical configuration of power relations, sources of mobilization and forms of communitarianism, it is also important to note that there are other factors that led to certain articulations

⁹ For instance, a study conducted by Turkish Institute of Statistics in 2007 revealed that Kayseri's share of the total number of work accidents in Turkey is 2.5% due to unregulated, unregistered employment.

between space and capital as well as between economy and culture to emerge in these cities. In Kayseri, for instance, the city's economic vibrancy dates back to 16th century, which makes the city quite unique. During the sixteenth century, although the Celalis brought instability for the commercial life in Kayseri, there was an active commercial and industrial life in the seventeenth century. Crucial trade centers flourished in the city, such as the Bezzaz Inn (Cotton Inn) with two bazaars, the Closed Inn and Vezir Inn (Satoglu 2009).

In addition to these economic activities, Kayseri and its hinterland acted as the most important trade center in all of the Central Anatolia. Bennett wrote that Greeks were engaged in money exchange in the market, where European merchants could easily conduct trade. In terms of handicrafts, forging and clothing were frequently observed. In those years, Kayseri was a natural storehouse of the valuable goods that were produced in the south and the east to meet the demands of the merchants from Istanbul.

In Gaziantep, the uniqueness stems from the city's central location for the historically known "Silk Road". Hence, the city retained its unique character in being a central node for this commercial path, which bridged the east and the west. The influence of multiple civilizations through out the history made enriched the city not only in terms of architecture, but also in terms of its uniqueness as a city welcoming different religions. The earlier influence of Persian Empire, then East Roman Empire, Byzantine Empire and then Ottoman Empire left a remarkable city culture that embraced multiple religions. Bordering Syria and Iraq, Antep remained as the

commercial and cultural center in the Middle Eastern region and often shown as the most dynamic center in the region along with Beirut, even considered as “Paris of the east” (Gaziantep City Portal).

Eskisehir, like Kayseri and Gaziantep, derives its uniqueness primarily through the multiple civilizations it had hosted historically. Eskisehir hosted Hittites, Frig, Roman, Byzantine, Seljuk and Ottoman civilizations. Eskisehir has historically benefited from its central location, which provided a variety of advantages for the city economically and culturally. This geographical advantage helped the city equipped with the building of railway workshops in 1894 for work on the Berlin-Baghdad Railway. In other words, geographical advantage made it possible for the city to attain an industrial base which was missing most of the cities in Turkey during the 1890s.

3.8 Conclusion

This chapter has presented the emergence and failure of the Turkish national developmentalist model, one of the key pillars of the Kemalist modernization project of the new Republic. We saw that the *etatist* strategy of the 1920s and the ISI strategy of the 1960s both sought to create a secular state with a dependent and state-sponsored bourgeoisie. This objective, as the Center-Periphery approach suggests, meant that the Anatolian petty bourgeoisie and small entrepreneurs were largely excluded from national developmental strategies and financing.

This chapter contended that the center assumed the role of chief social engineer with the intention of managing a modernization project, while the periphery remained confined to a traditionalist social construct mostly as the object of this project. We witnessed the particular fragility of this project as the ISI strategies were ruptured by the crises of the 1970s. The end of the ISI era and the implementation of the January 24th 1980 legislation marked the first encounter of the Turkish political economy with neoliberalism. This can be seen as a turning point with reference to the globalizing and liberalizing of Turkish political, economic and cultural life. The new outward orientation of Turkish policy aimed to integrate the economy into global trade and financial networks through the implementation of various market-based reforms. Despite the benefits that resulted from this new external focus, the liberalization of trade and capital accounts rendered the Turkish economy more susceptible to global financial flows and the volatility of short-term capital, and so led to multiple economic crises.

This chapter studied these crises in relation to the emergence of new actors, especially in Anatolia, including businesspeople associations comprised mostly of family-owned Small and Medium Sized Enterprises (SMEs), civil society organizations such as Chambers of Commerce and Industry and entrepreneurship organizations. The series of financial crises also led to new autonomy for municipal administrations who gained substantial capacity to maneuver via the decentralization of the central government throughout the 1980s and 1990s. This chapter suggested that these actors, who were freed from the pressure of the secular modernization project, would prove to be central in the formation of urban

growth coalitions. These local actors benefited from the successive crises of the Turkish economy as drastic devaluations provided leverage for the export of local products. In this context, classic center-periphery relations were being challenged as the periphery was able to globalize its local production capacity and engender alternative claims of modernity in reaction to the singular secular one. The next chapter will discuss the socio-economic and cultural bases of these claims in the three Anatolian cities or “Tigers” as well as the bases of their economic success.

Chapter Four

Introducing the Cities of Anatolia: Kayseri, Eskisehir and Gaziantep

4.1 Introduction

This chapter will portray the socio-economic and cultural bases of the alternative modernity claims of three Anatolian cities: Kayseri, Gaziantep and Eskisehir. My intention is to build a picture of the local socio-economic and cultural capacities of these cities and compare them. This comparative analysis will also involve a temporal dimension in the differentiation between the pre-1980s and post-1980s periods. It is hoped that this will offer a better perspective on the different starting points of the cities that resulted from historical levels of state involvement, which in turn produced variation in the formation of industrial and manufacturing capacities. Various practices of market based policies, which influenced the socio-economic conditions in these cities, will be presented to help us conceive of the differential impacts of these policies. Similarly, by looking at export capacities and labor market indicators in each city, we will have a more complete picture of the basis for claims of success. Two external processes, globalization and Europeanization and the changes and transformations they elicited, will also be discussed as additional and significant components in these cities' claims to success.

4.2 Domestic Factors

4.2.1 Socio-Economic Base of Anatolian Tigers

4.2.1.1 Pre-1980s

In investigating the basis of the claims to “success” of the Anatolian Tigers, it is important to start with the socio-economic context of the cities under investigation. Even though the implementation of market based reforms since their repercussions have had serious effects on the socio-economic landscapes of these cities, it is initially necessary to consider the historical cornerstones of their socio-economic development.

In Gaziantep, the city economy benefited considerably from state incentives for industry before the Second World War. From this, the weaving industry emerged in the 1930s and the processing of agricultural products in the 1940s. Throughout the 1950s and 1960s, Gaziantep did not attract any direct investment except for a cement factory in 1961 (Ozcan 2000: 229). As Ozcan (2000: 231) mentioned, the construction of Birecik Bridge in 1956 connected the city to Urfa and reduced transportation costs and helped the city connect better to the Eastern and Central Anatolian markets. Furthermore, it also helped Gaziantep re-activate its historical link with the markets of Syria, Iraq and neighboring countries. Agricultural modernization and mechanization increased the need for machinery parts, production and repair. In the following decades Gaziantep became a small-scale production of vehicles and agricultural machinery. Commercial activities have also

been historically important for this city economy. An illuminating indicator was that, in 1992, there were 21,409 small firms employing 60,000 to 80,000 people (Ozcan 2000). Since 1995, the city economy has diversified dramatically and is presently involved in commercial activities ranging from food processing and machinery parts production to textile industries (Ozcan 2000: 222).

Kayseri has been the principal industrial and commercial corridor for central Anatolia for many decades. Because of its location and proximity to Ankara, the city received high levels of public sector investments during the early periods of the Republic. The first state venture was Hava İkmal, an airplane parts factory, in 1927 (Ozcan 2000: 256). Furthermore, these investments were continued by a series of textile and weaving factories including the Bunyan (1933) and Sumerbank (1936) cloth factories, as well as a sugar factory (1955) and these investments created many jobs and developed new skills in the region that would go on to feed private sector investments in the 1960s and 1970s (Ozcan 2000). Building on local manufacturing traditions, food processing, furniture and carpet industries gradually developed (Ozcan, 2000). In the 1970s, the city became one of Turkey's first producers of consumer durables, manufacturing refrigerators, ovens and sewing machines. As Turkish agriculture became mechanized, Kayseri also became a producer of farming equipment.

Retail and wholesale trade occupies an important position in Kayseri's economy. Construction is the second largest sector, followed by furniture manufacturing. Some of the most highly developed firms of Kayseri can be found in

the textiles, retail and wholesale trades (Ozcan 2000). Birlik Mensucat and Orta Anadolu, established in the 1950s, are large and internationally reputable textile companies. In retail, Begendik department stores and hypermarkets, initiated by a dried fruits and nut dealer and wholesaler, achieved considerable success in Kayseri. As Ozcan (2000) argued, despite the success of its companies, the local economy remains very susceptible to global business fluctuations and competition. To give some examples, the meat processing industry, for instance, slumped dramatically in the aftermath of the beef crisis in Europe. Carpet weaving, another important rural industry, suffered tremendous losses when relatively less expensive Chinese carpets entered the market (Ozcan 2000 and Kayseri Chamber of Trade 2006).

Eskisehir was among the first Anatolian cities to experience significant state led industrialization in the early Republican period. State investments between 1923 and 1950 were a catalyst to considerable economic growth in the city. At the time, there were very few cement factories, but one in Eskisehir (1929); very few clothing factories, but one in Eskisehir (1932); and very few sugar factories, but again one in Eskisehir (1933). The locomotive factory of the early Republican period became today's TULOMSAS, an even larger and more complex business. The military's extra investment in this facility produced another industrial entity, a replenishment and maintenance unit for the air forces.

4.2.1.2 Post-1980s

After the 1980s, the national state's role in the economy gradually began to decline. Unlike the ISI period, which granted certain benefits through five year development plans, development projects, infrastructure support and public investments, under neoliberalism the Anatolian cities were expected to survive on their own. This decreasing state involvement should be interpreted in the context of the simultaneous state decentralization process. The resulting decentralization of municipal procurement procedures opened up new opportunities for local businesses. This created new opportunities for local SMEs and enhanced the power of municipal governments in city and local party politics. At the same time, the devolution of urban planning to municipalities in the mid-1980s, and the collection of local property taxes meant that the investment by the banks and their regional directorates in municipalities' development expenditures began to shrink. In response, a new form of municipal finance emerged based on the increasing use of foreign credit and participation in international businesses and organizations.

The decentralization of public procurement also enhanced the integration of small and large firms around local projects. At the same time, the rise of Islamist politics has meant the successful penetration of local interest groups into urban politics and municipal administrations. The result of both of these developments has been new opportunities for business associations, Chambers of Commerce and Industry and other members of urban growth coalitions to acquire a more active role and the capacity to maneuver in local politics and decision-making processes.

Another important change has been in the increasing use and influence of foreign credit and international institutions in local infrastructure projects' development and funding. In the 1990s and especially in the latter half of the decade, the use of foreign credit in urban projects increased significantly. This new model marked a shift in centre-periphery relations as it allowed municipalities to bypass the centre given their direct links with international organizations and banks. In this period, the total international commercial credit used by Turkish enterprises rose dramatically from \$2.6 billion in the 1990-1995 period to \$6.1 billion in the 1995-2000 period. Although this developed into a common practice across the country, with the exception of Gaziantep, Anatolian cities were relatively less enthusiastic about this possibility. Kayseri largely relied on and benefited from workers' remittances from Europe, but this is not counted as credit because this money was primarily transferred through Islamic sects and networks (Demir *et al*, 2004; Kosebalaban 2007).

Dependence on foreign credit did not always yield positive outcomes. While the total credit used by the Municipality of Gaziantep in the 1995-2000 period amounted to \$45 million, after the severe financial crises of 2000 and 2001, and the devaluation of Turkish Lira by 50%, the burden of the debt grew reaching \$300 million in the 2000-2005 period. The fiscal retrenchment of the Guzelbey period (post-2004) and similar municipal practices were enacted in an attempt to eradicate this considerable debt. Eskisehir faced less risk in this regard because the amount of foreign credit owing was low thanks in part to the relatively higher public investment expenditures of the central government.

Table 4.1: Indicators and Consequences of Market Based Policies

Averages		Relative Weight of Public Enterprises in Local Economy (%)	Public Investment Expenditures (Billion \$)	Size of Municipal Workforce	Total International Commercial Credit Used thousand \$)	Private Sector Investment Incentives billion \$)
1985-1990	Turkey	NA	24	NA	NA	NA
	Kayseri	50.6	0.2	1,078	NA	NA
	Gaziantep	38.4	0.2	938	NA	NA
	Eskisehir	65.9	0.4	1,110	NA	NA
1990-1995	Turkey	NA	52	NA	2,600,000	7.80
	Kayseri	48	0.155	1,276	1000	0.10
	Gaziantep	34.3	0.32	1,292	2200	0.13
	Eskisehir	65.4	0.7	1,387	3500	0.20
1995-2000	Turkey	NA	75	NA	6,100,000	23.70
	Kayseri	40.5	0.136	1,021	7,000	0.40
	Gaziantep	25.3	0.232	1,100	45,000	0.34
	Eskisehir	49.7	0.716	1,389	11,000	0.25
2000-2005	Turkey	NA	88	NA	20,500,000	37.90
	Kayseri	31.4	0.128	953	12,000	0.40
	Gaziantep	22.8	0.33	859	300,000	0.33
	Eskisehir	39.4	0.76	1,240	0	0.25
2005-2010	Turkey	NA	110	NA	46,600,000	66.20
	Kayseri	24.6	0.2	854	0	0.45
	Gaziantep	18.3	0.45	783	230,000	0.41
	Eskisehir	35.9	0.9	1,160	0	0.34

Source: DPT (State Planning Organization) <http://www.dpt.gov.tr>, compiled from various tables.

When the public investment expenditures in Table 4.1 are analyzed, it is clear that total public expenditures remained significantly higher in Eskisehir than Kayseri and Gaziantep both historically and in the post-1995 period when total public expenditure in Eskisehir was almost two times higher than the combined investment in the other two cities. The indicator reveals a significant stress on the under-funded municipalities in terms of the social services, cultural centers and infrastructure provided. Undoubtedly, the well established state economic enterprises (such as TULOMSAS, the seventh largest industrial plant in Turkey) and the accompanying industrial base in the city accounted in part for the higher investments in Eskisehir. The efficient working conditions of these enterprises and the positive externality they create for the city economy was made possible through these expenditures.

We also learn from Table 4.1 that while the relative share of funding of the cities investigated in this dissertation remained constant or increased slightly, when their relative share of funding in the Turkish economy as a whole is considered, there was a significant decay. Even when we look at the case of Eskisehir, the largest Anatolian recipient of public expenditures, its share of total public expenditures in Turkey decreased from 0.013 in the 1990s to an average of 0.008 in the 2005-2010 period. It may be possible to conclude from this data, that with the possible exception of Eskisehir, the excessively low public investment expenditures in

Kayseri and Gaziantep were inadequate and prompted these cities to look abroad and pursue the international credit options discussed above.

The level of overall public investment between 1990 and 2010 in these cities was strikingly lower than Istanbul, Izmir and Ankara.¹ Private sector incentive expenditures followed a similar pattern. Throughout this same period, for instance, Istanbul received almost 20% of total private investment incentives, Kayseri and Gaziantep received approximately 3%, and Eskisehir only 1.1%. This was another cause of the search for alternative methods of capital by the Anatolian cities. These alternative methods, however, were not without their own risks (Ozcan and Cokgezen 2003: 14-18).

The considerable debt acquired by cities in a short period of time was one important drawback to financing local activities through international institutions. In 2005, the Greater City Municipality of Gaziantep was \$300 million in debt to international creditors.² This credit had been used to fund sewage, water treatment and urban development projects. The municipality also had \$20 million in tax debts to the central government. The real problem with this model of financing was that while local businesses benefited from project financing via increased business opportunities and local public procurement, the financial burden and debt of often municipal fiscal regimes was left to local taxpayers, who have little control over municipal finances or affairs.

¹ For more information <http://www.tuik.gov.tr/sta>

² Precise names of the institutions were not made public.

The increasing autonomy of municipalities has also enabled certain market centered practices in Kayseri, Eskisehir and Gaziantep that are detrimental to local residents including cut to municipal workforces and the selling of municipal assets. Table 4.1 highlights the decreasing size of the municipal workforce in Kayseri, Gaziantep and Eskisehir. In Kayseri the size of the average municipal workforce remained above 1000 employees until 1995. Between 2005 and 2010 the average municipal workforce decreased to 854 employees. Gaziantep and Eskisehir demonstrate a similar pattern when in the post-1995 period many employees lost their jobs due to the contracting out of many municipal services to companies with close links to municipal administrations and leaders. Gaziantep experienced a comparatively greater decrease in the size of its municipal workforce. In the 1990-1995 period the municipality employed 1292 people but this decreased to 783 in the 2005-2010 period, with 2000 to 2005 marking the sharpest decline. Furthermore, and as the final chapter will illustrate, many municipal administrations also employed other market oriented strategies including auctioning services in the market, selling public land and changing zoning regulations.

The impact of the 2000-2001 economic crisis has been identified as a significant factor in the radical decrease in municipal workforce size. This suggests that in some respects, the economic crises were used as justifications for the adoption of increasingly market centered policies. Dogan identified this tendency in the public speeches of Kayseri Mayor Ozhasaki which touted that his administration ran the municipality much as if capitalists run their companies. Market centered

policies allowed the Ozhaseki administration (and other administrations) to justify their policies of downsizing, privatizing, contracting out and making better use of clientelist networks (2007: 108-115).

In Eskisehir a slightly different pattern emerged. Even though there was still a decrease in the size of the municipal workforce in the post-2000 period, immediately after the election of Mayor Buyukersen, the decline slowed. As my interview with Tasci (2009), head consultant for Mayor Buyukersen, suggested, this slight decrease during the social democratic Buyukersen period was mostly due to a desire to correct the populist and clientelist hirings of the previous periods, rather than a desire to enact market oriented practices. Overall, in terms of municipal workforces, Eskisehir appears to be least affected.

In the cities of Gaziantep, Kayseri and Eskisehir, as well as the Anatolian Tigers in general, exporting was the common mechanism for generating economic growth. Urban growth coalitions, which became even stronger with the increasing autonomy of municipalities, played a key role in organizing and coordinating local resources in order to pursue aggressive exporting strategies. Exporting strategies have been considered the basis for much of the success claims in these cities. Higher exports and the diversification of target countries are seen as the benchmarks of this growth and success. In fact, it is possible to infer from Table 4.2 that even though the average growth rate of the Turkish economy decreased, Kayseri, Gaziantep and Eskisehir were able to maintain the pace of their export-based growth rates. This is due in part to their increasing concentration on foreign rather than domestic

markets. Thus, in 2001 while Turkey experienced a negative growth rate of 6.1% due to the severe financial crisis, the three cities maintained their positive growth rates by relying on exports. This strategy became even more advantageous after the devaluation of the Turkish Lira. The sustainability of real growth rates was doubtlessly crucial for the increases in GDP per capita as this remained higher in the three cities than in national statistics as well. Accordingly, in each city, the contribution of the city economy to the total Turkish GDP gradually increased. In the case of Kayseri, for instance, the city's contribution to the national GDP was 0.67% in 1990, but increased to 2% in 2010. Similarly, in Gaziantep it increased from 0.86% to 2.3% and in Eskisehir from 0.64% to 1.6%.

Table 4.2: Indicators of Export Based Economic Growth

		GDP Growth %	Total Exports (000 \$)	Total Exporting Firms/Total Firms	Total Exp/Total Production	% Share of Turkish GDP.
1985-1990	Turkey	9.25	12959	0.14	8.5	100
	<i>Kayseri</i>	4.3	50	0.11	3.2	0.67
	<i>Gaziantep</i>	3.1	35	0.10	5.3	0.86
	<i>Eskisehir</i>	5.4	90	0.09	4.3	0.64
1990-1995	Turkey	7.2	21637	0.19	8.7	100
	<i>Kayseri</i>	8.4	280	0.16	27.1	0.88
	<i>Gaziantep</i>	7.9	200	0.18	30.2	0.93
	<i>Eskisehir</i>	6.4	280	0.17	33.4	1
1995-2000	Turkey	6.8	27775	0.19	13.8	100
	<i>Kayseri</i>	15.5	403	0.29	36	1.7
	<i>Gaziantep</i>	16.3	650	0.26	39	1.6
	<i>Eskisehir</i>	13.5	489	0.23	35	1.4
2000-2005	Turkey	2.4	76234	0.22	22.5	100
	<i>Kayseri</i>	7.5	892	0.39	40	2.4
	<i>Gaziantep</i>	8.3	800	0.36	42	2.5
	<i>Eskisehir</i>	7.1	1000	0.32	38	1.9
2005-2010	Turkey	5.2	103000	0.17	26.4	100
	<i>Kayseri</i>	4.9	1214	0.31	29	2
	<i>Gaziantep</i>	5.1	1100	0.32	35	2.3
	<i>Eskisehir</i>	7.7	1300	0.27	25	1.6

Source: DPT (State Planning Organization) <http://www.dpt.gov.tr>, compiled from various tables.

Table 4.2 also makes visible the importance of exports to the city economies. Exports continue to constitute an important share of total production. In Kayseri at the end of 2000, the share of exports to total production reached approximately 30%, in Gaziantep 40% and in Eskisehir 25%. As noted in the previous chapter, instabilities in domestic markets due to successive financial crises had contributed to an increased emphasis on exports to foreign markets. Allocating local resources to the penetration of foreign markets was seen as a safer strategy for entrepreneurs in these cities.

Another indicator of the importance of an export-oriented strategy has been the increasing number of firms involved in exporting. In 1985 5.2% of firms (including both large holdings and SMEs) were involved in exporting in Turkey and in Kayseri only 4% of local firms were involved in export. Ten years later, while 14% of national companies were involved exporting, in Kayseri 25% of local companies were exporting. By the late 2000s approximately 30% of Turkish firms and 45% of firms in Kayseri were involved in exporting. A similar pattern can be observed in Gaziantep and Eskisehir. These numbers suggest that the three city economies had become deeply entrenched in global markets over time and that their success was increasingly dependent on their exporting performance.

Another indicator that the city economies were becoming more and more export dependent was the portion of exporting firms among each city's total firms. As Table 4.2 indicates, until 1995 the ratio of total exporting firms to total firms among the Anatolian Tigers was lower than the national average. After 1995,

however, when the real growth of Anatolian Tigers began, exporting companies came to occupy a higher place in the city economy as compared to the national economy. The Anatolian cities experienced double digit growth rates in the second half of the 1990s with the economic crisis of 1994 as a crucial stimulator of exports due to the currency devaluations. The signing of the Customs Union agreement with the EU and the ability of Turkish exporters to penetrate the Eurozone without taxes or tariffs was also a key factor in the 1995-2000 period. Simultaneously, as Yildirim (2009) argued, the post-1994 period was troublesome for companies producing for the domestic markets, and widespread shut downs especially among Istanbul-based companies were a prominent cause of the decrease in the total number of firms in Turkey.

According to Egilmez (2009), in the 2000-2005 period, due to the negative impacts of the 2000-2001 crises, exporting firms were able to survive, but firms producing for the domestic markets, especially those importing intermediary and final products to sell domestically were extremely challenged by the currency devaluations. At the same time, skyrocketing interest rates caused many companies in need of credit to close their doors. The data in Table 4.2 confirm that, during the periods following the major crises (1995-2000 and 2000-2005), exporting firms maintained a higher share of the economy. When we look at the post-2005 period, we observe that exporting firms started to lose their leverage due to increasing national growth rates and the over-valuation of Turkish Lira. This is a period in which the total number of exporting firms among the total number of firms decreased. From 2000-2005 to 2005-2010, the proportion of exporting firms fell in

Kayseri from 39% to 31%, in Gaziantep from 36% to 32% and in Eskisehir from 32% to 27%.

Throughout the 1990s and 2000s, then exports constituted the major dynamism of the Anatolian cities. The cities' share of the total Turkish economy almost doubled during the 2000s due to their export performances and relatively low national levels of growth. While the cities exhibit similar characteristics - export driven and export dependent - as the data in Table 4.3 suggest they followed different paths and limits to economic success. The major exporting sectors of the cities are quite different. At the beginning of the 1990s, textiles comprised the major exports of Kayseri, Gaziantep, Eskisehir, Denizli, Konya and Corum. However, for some of the Tigers the saturation of the textiles market, due largely to the increased competition in the sector, caused them to diversify their exports. In Kayseri, the total number of enterprises in the textiles sector rose and fell from 168 in 1992, 467 in 1997, 200 in 2004 and 160 in 2008. Over the course of the 1990s and 2000s in Kayseri, three sectors became the major drivers of its export led boom. Furniture and its derivatives now comprise 50% of all Kayseri exports; textiles comprise 35% and agricultural-food products 15%. There is a similar pattern in Gaziantep. In the case of Eskisehir, Table 4.3 suggests, textiles historically comprised a low share of the city economy. They now comprise 5%.³

³ Textiles' share is constituted by mainly the Sarar Group, owned by Sarar Holding.

Table 4.3: Key Indicators of Production & Export Base

	Kayseri	Gaziantep	Eskisehir
Major Export Sectors	Furniture & Derivatives (50%), Textile (35%), Food (15%)	Machine Carpeting (40%), Other Textiles (%30), Food (30%)	Machine Manufacturing (55%), Mining (20%), Food 25%), Textiles (5%).
Rising Recent Export Sectors	Metal Manufacturing	Advanced Weaving/textile, Chemicals	Aviation Industry,
# Patent Registrations	5	4	12
# Trademark Registrations	632 (10 th in Turkey)	453 (22 nd)	1100 (2 nd)
% in total Bank Credits in Turkey	0.82	1.6	2.7
# of Companies recipient of EU Financial/Technical Assistance	79	88	93
# of Countries Exporting	153	142	98

Source: Chambers of Commerce, Chambers of Industry of the relevant cities.

The nature of export-oriented sectors in which each city focused its exports in turn affected the cities' social and economic performance. Table 4.3 shows that Kayseri's and Gaziantep's excessive reliance on textiles at the beginning of the 1990s and the saturation of the markets for these products engendered a learning process that led them to concentrate on other sectors. The growth of furniture and related production in Kayseri in the mid-1990s can thus be seen as a result of the crisis of the textile sector. Not all Anatolian cities have been able to make this shift successfully, however. For example, in the 1990s Denizli encountered similar problems but the growth coalitions and leading economic decision makers were not able to sustain the collaboration and cooperation that was needed to refocus in other sectors (Eraydin 2002; Koroglu 2004).

The data in Table 4.3, help identify the problems regarding the sustainability of the Tigers' economic success. First, all of the major export sectors - textiles, furniture, food, machine carpeting, small machine manufacturing and mining - had low technology content. These sectors benefited especially from low labor costs. These sectors were largely dependent on foreign economic trends and demand structures. For instance, while the construction sector was vibrant throughout the 1990s in Gaziantep and many local firms supplied construction material and undertook major construction jobs in Russia and the Turkic Republics, especially Azerbaijan and Kazakhstan, these opportunities started to disappear at the end of 1990s. Similarly, in Kayseri, the furniture sector reached a similar saturation point

and despite the emergence of local brands, such as Istikbal of the Boydak Group, excessive reliance on furniture was only helpful in the initial stages, but not in the longer term. These sectors also did not allow for technological advancement. The implication for the Tigers was that they needed to focus on sectors with higher technology content, along with strategies to establish brands and trademarks.

The aforementioned successful sectors and experiences provide insight into the recent economic strategies of the Anatolian Tigers. Recently, Kayseri has placed more emphasis on metal manufacturing, Gaziantep on chemicals and Eskisehir in aviation. These rising sectors have higher technology content than the traditional sectors. The cities have attempted to nurture and advance these new industries through the establishment of local science and technology parks and research and development centers. Three indicators in Table 4.3 point to attempts to move away from a sole reliance on the traditional/major export sectors: the number of patent registrations, the number of trademark registrations and the number of companies receiving European Union technical and logistical assistance.

The number of patent registrations sought between 2000 and 2010 was considerably higher than the number sought between 1990 and 2000. In Kayseri four patent registrations were recorded in the 1990-2000 period and twenty-seven were recorded for the 2000 to 2010 period. While a similar pattern is observable in Gaziantep, Eskisehir has the highest record by far for the latter period at 40 patents. Eskisehir's success in this regard may be related to the strong collaboration between the Anatolia University and the Eskisehir Chamber of Industry. The

foundation of the Eskisehir Innovation Strategy and Capacity Building Project (ESINKAP) and Science Park, established in the Anatolia Technology Improvement Region in the Eskisehir Organized Industrial Zone in the early 2000s, also made an important difference. In terms of national rankings for patent registrations, Kayseri ranked 10th, Gaziantep 13th and Eskisehir ranked 3rd among 81 cities in Turkey.

The number of trademark registrations sought in these three cities indicates even greater success than that suggested by patent registrations. This was possible in part due to collaboration between the municipalities, chambers of industry and commerce and universities. Kayseri currently ranks 10th in Turkey trademark registrations and the total number of registrations in the 2000-2010 period is almost three times higher than in the 1990-2000 period. Gaziantep also experienced a drastic increase in the total number of trademark registrations as is shown in Table 4.3. Eskisehir's success, even when compared to Kayseri and Gaziantep, is remarkable and it now ranks 2nd in Turkey.

The number of companies in each city that are recipients of European Union technical and technological assistance also increased substantially in the latter half of the 2000s. As with patent and trademark registrations, Eskisehir also leads this category with 145 local companies in receipt of assistance. These three indicators (patents, trademarks and EU assistance) suggest that over time, the Anatolian Tigers have come to realize that a focus and reliance on labor-intensive and low-technology sectors carries certain risks. While price leverage based on the use of cheap labor and successive crisis devaluations helped the Anatolian Tigers achieve

temporary economic booms, it was understood that there were serious questions about the sustainability of these strategies. As such, any characterization of the political economy of Anatolia has to consider these socially specific forms of exploitation and their consequences.

In the post-military coup environment (1980-1983) there emerged ample room for the informalization of labor and local capitalists made use of the opportunities provided by state repression of labor unions. In the absence of unions, the local labor force was pushed towards contract work, seasonal work and casual employment and under the pressures of devaluations and inflation, real wages declined. Thus, many formal workers at this time found themselves faced with three very detrimental employment-related risks: deunionization, declining real wages and increasing informalization. The most immediate consequence of this situation was the increase in workers without SSK (Social Insurance Institution Coverage) or any other form of insurance. Figures 4.1 and 4.2 and Table 4.4 illustrate the dynamics of these three employment threats and enable an analysis of how stagnating real wages and rising inflation rates created a large casual workforce and become a basis for increasing productivity through the further squeezing of real wages rather than through technological improvements.

High rates of inflation, depicted in Table 4.4, forced many workers to seek additional income in the informal sector. The re-structuring of the Turkish state along with the ideals of the markets resulted in an ongoing decline in real wages and unit wages throughout the 1990s (Boratav et al., 2000) and in the first years of the

2000s (Boratav, 2003). After a brief surge between 1990 and 1993, real wages again decreased after the 1994 financial crisis. While private manufacturing wages maintained their momentum between 1995 and 2000, they did not return to pre-1994 crisis levels. Figure 4.1 shows that the level of real wages in the late 1980s was not reached again in the post-1990s period. After the 2000-2001 waves of crises, real wages in private manufacturing faced a second cycle of contraction because of the devaluation of Turkish Lira, which lost half of its value over night.

Around the same time, productivity gains in manufacturing and industry accelerated, especially after the first quarter of 2002. This productivity surge was the result of the repression of real wages rather than the result of increased labor efficiency derived from advances in technology. A close inspection of Figure 4.1 shows that the competitive edge in the economy was sustained by squeezing real wages. Real wages contracted severely after the February 2001 crisis, and this downward trend was maintained in 2002 and 2003. From 2000 to mid-2003, the decline in private sector real wages reached 19.6 percent. Of particular note is the fact that the periods of substantial real wage decreases, after the 1994 crisis until late 1990s and again in the early 2000s, correspond to the periods in which Anatolian Tigers established their most striking economic growth.

Thus, the process that officially began with great open economy rhetoric exhausted most of the capacity of wage earners ever to become members of the middle class. Many employees in the formal sector and those without opportunities to find formal work, sought to complement or secure their income through

additional, informal activities. The gradual decrease in the labor force participation rate in Figure 4.2 shows that many employees were in fact deprived of formal employment opportunities. National unemployment rates remained around 10% in the post-1990s and reached 12.3% in the 2000-2005 period. As Table 4.4 shows, however the unemployment rate in the cities of Anatolia was almost half that of the national level.

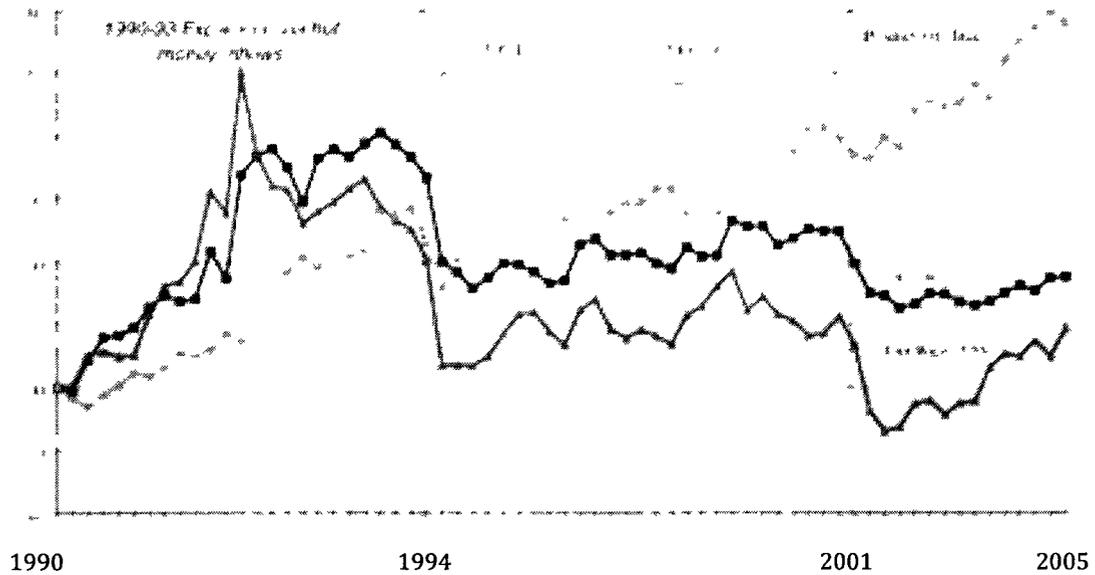
This situation was largely due to the increasing casualization of employment, with the exception of Eskisehir, as the data presented in Table 4.4 suggest. The casual employment level in Kayseri and Gaziantep has remained higher than the national average. At the same time, unionization levels in Kayseri and Gaziantep remained significantly below national figures in the post-1990s period. Low unionization rates and increasing casualization jointly suggest that the urban growth coalitions in Kayseri and Gaziantep benefited considerably from labor exploitation. In Eskisehir, however unionization rates remained higher due in part to their being more publicly owned enterprises in Eskisehir, such as TULOMSAS (represented by TURK-Is) and in part due to the reluctance of the social democratic mayor and key industrialists to resort to casualization ⁴ (Figure 4.5).

The most visible societal manifestation of casualization and deunionization of workers was the worker exchange. Local factory owners, especially those within Organized Industrial Zones, have often resorted to “borrowing” workers during busy periods. Thus, these establishments were able to satisfy their need for extra

⁴ Interview with Ozaydemir, Interview with Sarar and Interview with Tasci

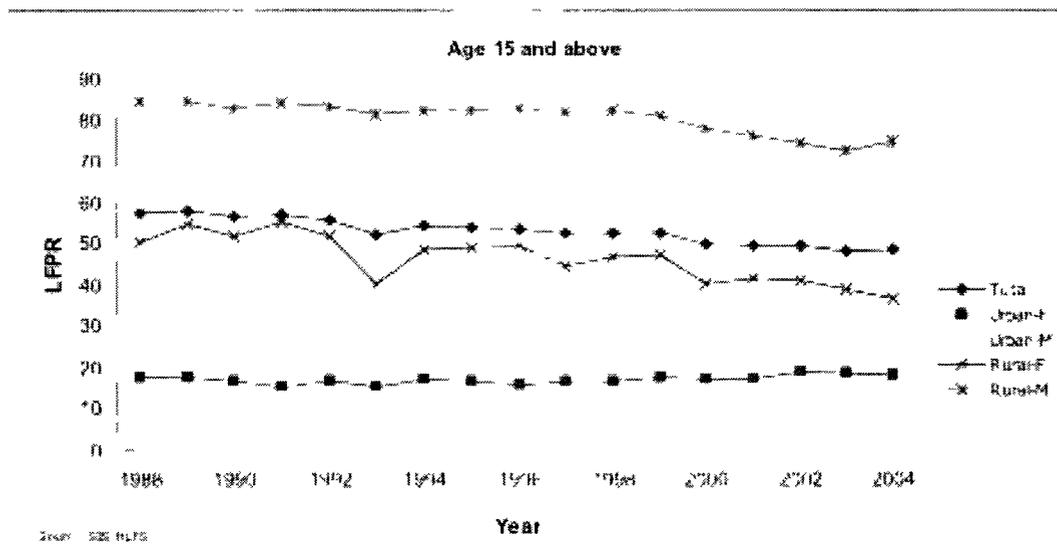
labor through close relationships with other capitalists. In a similar vein, the *fason* production style has been a source of dynamism for these capitalists. *Fason* production generally refers to informal knowledge transfer among local capitalists where the low technology content of production allowed them to copy one to another. *Fason* production has also involved the main producer (capital owner) helping “trustable” and “hard-working” co-workers to establish their own ateliers, mostly by assisting with small machinery and capital. Most of these new establishments in turn benefited from unpaid family labor. These relationships among local capitalists and between local capitalists and workers can be characterized as a solidaristic industrial type. This type encourages a communitarian ethos for the sake of development, albeit with a serious societal burden.

Figure 4.1: Real Wages, Unit Wages and Productivity Indexes and Major Crises



Source: SIS and HLFS (2008) [Adopted from Yeldan 2008].

Figure 4.2: Labor Force Participation Rate (LFPR)



Source: SIS and HLFS (2008) [Adopted from Yeldan 2008].

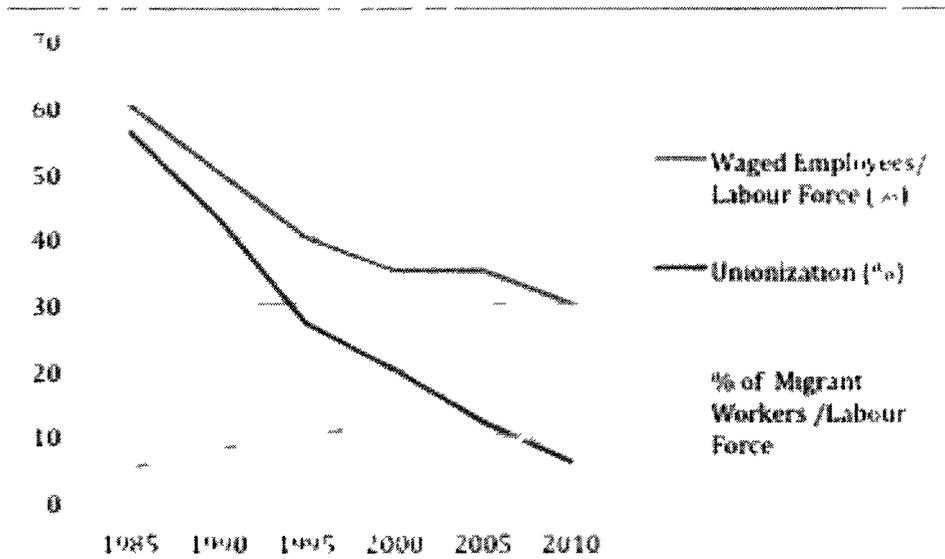
Table 4.4: Labor Market Indicators in Turkey, Kayseri, Gaziantep and Eskisehir

Averages	Country City	Unionization %	Casual Employment %	Inflation Rate (Commodity Price Index, %)	Unemployment %
1990-1995	Turkey	38.9	13.2	73.5	8.1
	<i>Kayseri</i>	43	14.2		5.6
	<i>Gaziantep</i>	45	6.4		7.7
	<i>Eskisehir</i>	51	3.5		4.5
1995-2000	Turkey	29.3	13.5	84.9	8.2
	<i>Kayseri</i>	22	16.4		3.2
	<i>Gaziantep</i>	19.3	15.3		5
	<i>Eskisehir</i>	31	3.6		4.5
2000-2005	Turkey	23.1	14.7	32	12.3
	<i>Kayseri</i>	14.2	22		4.1
	<i>Gaziantep</i>	12.9	20		6
	<i>Eskisehir</i>	36.3	3.6		4.5
2005-2010	Turkey	25.9	13.6	10	11.3
	<i>Kayseri</i>	18.5	32		3.2
	<i>Gaziantep</i>	18.3	27		4.6
	<i>Eskisehir</i>	30	4.5		5.4

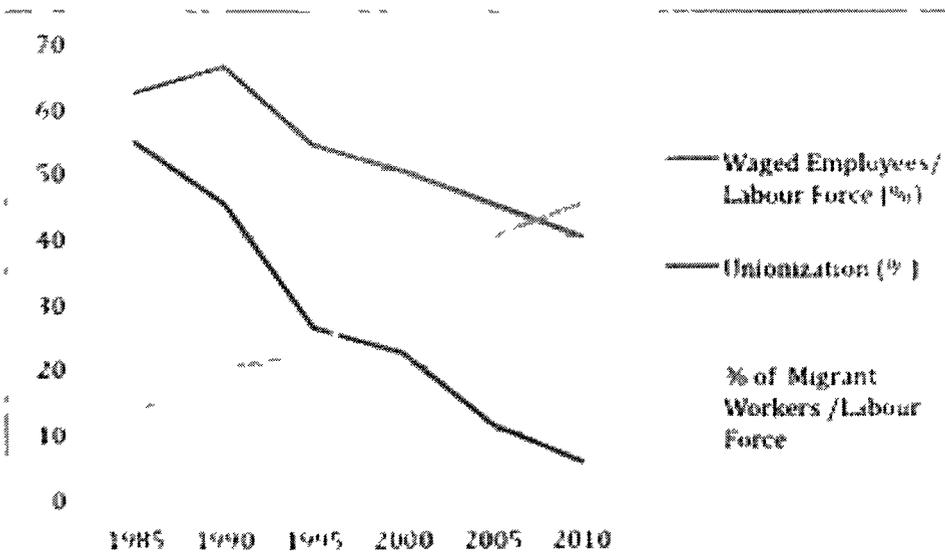
Sources: SIS, SPO and Greater Municipalities in Kayseri, Gaziantep and Eskisehir.

Figures 4.3, 4.4 and 4.5: Decreasing Unionization, Waged Employees and Migrant Workers

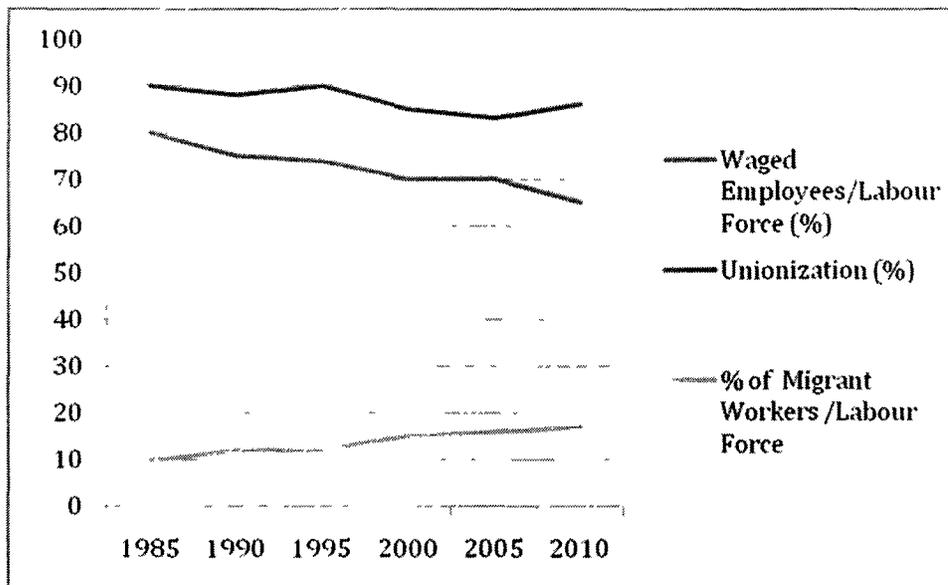
Kayseri



Gaziantep



Eskisehir



Sources: SIS, SPO and Greater Municipalities in Kayseri, Gaziantep and Eskisehir.

4.2.2 Cultural Base of Anatolian Tigers

The cultural bases of the three cities had significant impacts on the nature of the urban growth coalitions and communitarian efforts forged. A well-entrenched respect for cultural identity (family and conservative values) in the organization of economic life became a source of business ethics, a basis for cooperation and solidarity between producers, and a means of avoiding social unrest and containing labor militancy. In Kayseri, Gaziantep and Eskisehir, hierarchical family rule acted as the main enterprise managerial system, through which there was a noticeable strategic fit between the traditional institutions that regulate social relations and the requirements of global “flexible production” and trade.

In Kayseri, the cultural base is dominated by the religion, Islam. In general, the obligations set out in Quran are taken very seriously by prominent local families and Kayseri residents. Social and economic practices have historically revolved around Islam and philanthropic activities are often initiated in adherence to the Quran. The practice of *Zekat*, the sharing of 2.5% of one's wealth with others in need is a very common practice in Kayseri. Another socio-economic "duty" set out in Quran, *Fitre*, which means helping the poor and unprotected before the month of Ramadan, is also very commonly practiced.

Vaqfs (or charitable foundations) are another Kayserian cultural institution (Satoglu 2008). Despite the suppression of Islam after the foundation of the Kemalist Turkish Republic, some *vaqfs* were able to resume their operations through the prominent local families seen as compatible with the new constitutional codes and regulations. These charitable foundations were used by the locally prominent families to build health centers, schools, dormitories, education centers and to renovate old mosques and religious buildings, including *Kulliyes* which are established under the names of elder/reputable family members (Satoglu 2008, Dogan 2007). In Kayseri, more than 80% of school buildings are privately built and funded and at various times Kayseri has been cited as a leader in building schools. The buildings of Erciyes University were also funded by local actors and local industrialists are likewise proud of financing the projected "Abdullah Gül

University,” in which all the faculty buildings will be shared by Kayseri’s philanthropists.⁵

Another set of important cultural practices with economic implications are the “morning walks” on the Ali Mountain, conducted by leading industrialists, politicians, local government representatives and take place very early in the morning, right after jointly practiced morning prayers. These walks involve the discussion of key issues and decisions regarding the city. In certain cases, business related conflicts and strategies are brought to the walks as well. “Home gatherings” (*ev oturmaları*) serve similar purposes and are seen as the most widespread form of socialization in Kayseri. These gatherings adhere to many Islamic practices, such as the separation of rooms in which men and women congregate. Gatherings can involve business talks, finalizing important business deals, making new arrangements and resolving disputes among members. Meetings include jointly sung Islamic *ilahis* (specific songs).

Those Kayserian cultural practices related to the economic success of local entrepreneurs, reveal a number of paradoxical gender dynamics. For instance, while social practices such as *ev oturmaları* assume gendered roles and the socio-economic nature of Kayseri reveals a conservative-patriarchal form, women’s entrepreneurship has been increasing (Satoglu 2008). Official statistics on women’s employment and entrepreneurship in Kayseri confirm the underlying conservative-patriarchal values of the city. According to data released by KAYSO, there are

⁵ Daily Sabah, January 15th, 2009.

approximately 16,800 workplaces in Kayseri – 464 public sector and 15,727 private sector companies. These workplaces employ 11,135 employees and 125,209 respectively. Of the total 136,344 employees in the city, 116,814 were men and 19,530 (14.3%) were women (Satoglu 2008).

Where women's entrepreneurship is concerned the statistical picture is even bleaker.⁶ Nonetheless, in conservative and religious Kayseri, even though low in number, there are still examples of impressive female entrepreneurial success, including that of Berna Ilter, owner of BRN Exports. As a woman without headscarf (although headscarves are quite common in Kayseri), Ilter is one of few female entrepreneurs succeeding in her SME and has established outlets and branches in Australia, France and Switzerland.

Ilter noted in her interview that she had received both technical and logistic support from the Boydaks.⁷ Ilter's case highlights forms of societal and territorial embeddedness that lead to social interdependency, strong communal bonds and a communitarian will that is used towards economic gains. With a small amount of initial financial capital, and limited social capital in terms of industrial and business linkages, Berna Ilter established her firm and in a relatively short period of time became one of the leading entrepreneurs in Kayseri. This is despite the fact that she

⁶ Data regarding the number of women entrepreneurs could not be gathered because according to KAYSO officials, their database has been formed without a gender parameter in the system. Nevertheless, in May 2010, the Women Entrepreneurs Council in Kayseri, a civil society organization, announced that in cooperation with the EU Information Unit in Kayseri, they are in the process of organizing a broad inventory of women entrepreneurs. For further information please see <http://www.haberler.com/kayseri-deki-kadin-girisimcilerin-envanteri-haberi>

⁷ INTERVIEW WITH BERNA ILTER.

does not cover her head or exhibit any Islamic symbol on her dress. She openly acknowledges the logistical support of the Boydak Group, a significant example of the strong communal linkages and support mechanisms predominant in the entrepreneurial tradition of Kayseri. The Boydak Group also provided crucial supply linkages and even provided raw materials for her company in its initial phase despite their male dominated firm structures and values. Thus, it can be concluded that despite categorical incompatibilities among the world-views of different actors, these actors have made moderate attempts at overcoming such paradoxes in the age of neoliberal globalization. These attempts connote new societal dynamics and spatial implications that are not determined by socio-historical essences, but rather, through a communitarian effort that mobilizes community enthusiasm for enlarging/deepening the market mentality despite social-political origins.

In contrast, Gaziantep has historically been identified with the Kemalist nation-state. The most influential event in Gaziantep's history was Turkey's War of Independence at the end of 1910s and early 1920s. After being invaded by English troops in January of 1919, Gaziantep was taken over by the French with the support of an Armenian volunteer corps. During the War of Independence, under the leadership of Mustafa Kemal Ataturk, Gaziantep became one of the most crucial sites in this war as both the Southern front and the city made crucial progress in the fight against the French. In fact, the name of the city, Gaziantep, is derived from this success. The original name of the city, "Antep", with "Gazi" added in front, indicates that the city is a "veteran" and has been awarded this title.

Gaziantep's role in the War of Independence is linked to the unfolding of the story of the Turkish Republic. The city rose to prominence as the staging point of the War of Independence, waged by the Nationalists to liberate the country from Allied occupation in the aftermath of the First World War. The Gaziantep's role has become a significant social memory in Gaziantep and has worked as a crucial connection in the formation of city identity. In other words, Turkish national identity and the notion of Turkishness helped to construct a national and populist discourse in the city, contributing to a sense of solidarity.

Gaziantep has thus experienced the hegemony of the conservative nationalist stance. While it was nationalist because of the historical foundations, its conservatism reflects the fact that the local population was not in full conformity with the secular ideals of the state. In other words, in Gaziantep, there were some limits to the unfolding of the secular Kemalist "social engineering" project. Another reason for the conservative culture was similar to the situation in Kayseri - Gaziantep had a number of prominent local families who themselves were socially conservative. For instance, the counter part of Kayseri's Boydak family (Boydak Holding) in Gaziantep was the Konukoglu family (SANKO Holding). The Konukoglu family and other SMEs in the city that were established as family businesses were exemplars of a patriarchal cultural structure, based on the importance of traditional values and the family as a crucial mobilizing mechanism. Unlike the Boydaks, the Konukoglu family did not have strong ties to Islam. This was primarily because of the absence of strong religious establishments in Gaziantep (i.e. Islamic sects - *tariqats*).

Similar to Kayseri, local business families in Gaziantep have been active in solving the problems of their city and helping the poor. Also similar to Kayseri has been the state's endorsement of these types of charity investments. In Gaziantep, locally prominent families, as donors, were portrayed as honourable and nationalist citizens and community leaders whose example ought to be followed. *Tesanutculuk* has been another active cultural institution in Gaziantep (a form of problem solving and a consensus generating mechanism). This concept will be explained in greater detail in the next chapter.

Gaziantep experienced a marked increase in the pace of in-migration in the post-1980s period⁸ as the population doubled between 1988 and 2000. In-migration from terrorism-torn cities led to significant in-flows of Kurdish people, many of whom were peasants with low level of education,⁹ who encountered serious problems in terms of integration. The nationalism of the local Antebians meant that the Kurdish in-migrants, were not welcomed. Moreover, they were seen as a threat to local wage levels. The 1990s in Gaziantep witnessed numerous conflicts between nationalist and Kurdish workers. The most frequent of these were burnings of Kurdish workplaces, retaliations and the marginalization of Kurdish workers and families from the city-centers. The tensions and the integration problems along with the ever increasing population of the city (1.5 million in 2009) led to an increase in criminal activities. Thus it can be argued that while the 1990s

⁸ Gaziantep Chamber of Commerce, Socio Economic Indicators Database, accessed with special permit.

⁹ Various local newspapers and media reports.

meant high growth rates and booming exports for Gaziantep, they also meant growing social and cultural polarization and conflicts. The above-mentioned charity activities pioneered by leading local families began to lose their function as they were unable to cope with the increasing population and its new complexities.

Islam, conservative values and nationalist tendencies are all less visible in Eskisehir. Unlike Kayseri and Gaziantep, Eskisehir's urban culture has a cosmopolitan character as the city is host to a much more multi-ethnic population. The Turcoman population forms the oldest demographic group in Eskisehir, but the structure of the population has been continuously evolving and diversifying throughout Eskisehir's history as Caucasus, Balkans, and Crimean migrants settled in the city.¹⁰ Throughout the 1990s, Bulgarian-Turks and Bosnian-Turks were placed in Eskisehir because of the ethnic problems in their home countries. Immigration from neighboring cities such as Bursa, Bilecik, Kutahya and Balikesir increased the population of the city to 1.6 million in 2009. Less than twenty years earlier, in 1990, the population was less than 900,000. Unlike in Gaziantep, immigration did not result in severe social and cultural tensions.

Given the absence of strong conservative social and cultural practices, like that of Islam in Kayseri and nationalism in Gaziantep, immigrants were perceived very positively as they were relatively more equipped with certain professions and more easily absorbed by the local economy. Eskisehir's city culture also benefited substantially from the city's social democratic political tradition. Yilmaz

¹⁰ Eskisehir City Official Web Site: <http://www.eskisehir-bld.gov.tr/>

Buyukersen, the rector of Anatolia University in Eskisehir from 1987 to 1999 became Eskisehir's mayor in 1999, a position which he still holds. Mayor Buyukersen has been a prominent voice for the establishment of the social democratic tradition as will be discussed further in the next chapter.

Eskisehir's position as the city of students concurs with Buyukersen's preference for urban space heterogeneity. The Anatolian and Osmangazi Universities, as well as the ongoing efforts to open up a third university, sustain a very high student population of 150,000 (the total population of Eskisehir is 770,000). As the universities sustain dynamism through their considerable and diverse enrolment, the city's capacity as a space of consumption has increased rapidly via versatile shopping centers, which bring globally coveted brands and reinforce a culture of consumption. Unlike Kayseri with its Islamic take on alcohol and entertainment, and Gaziantep with its conservative values, Eskisehir has witnessed a culture of night entertainment through the mushrooming of night clubs, bars, and discos steering their activities to university students. In Eskisehir there are a significant number of self-employed show owners and small-scale enterprises that have become part of the dynamic urban space because of the universities.

4.3 External Factors: Globalization and Europeanization

4.3.1 Globalization and Anatolian Cities

In Kayseri, the process of globalization can be studied on at least two interrelated levels. The first pertains to the way in which the process of globalization is

understood as an economic phenomenon resulting in closer integration into global capitalist flows and greater economic success. Secondly, this economic dynamism has led to a perception that Kayseri's globalization experience is symptomatic of how global capitalism and religion, or globalization and Islamization, can co-exist. Thus, Kayseri has been portrayed as a case in which these seemingly paradoxical processes take place simultaneously. Through the increasing internationalization of the Turkish economy, Kayserian entrepreneurs broadened their horizons beyond national markets and sought opportunities in global markets. During the interviews, there were repeated references to the number of countries Kayseri now exports to as a means of conveying the extent of Kayseri's economic success.

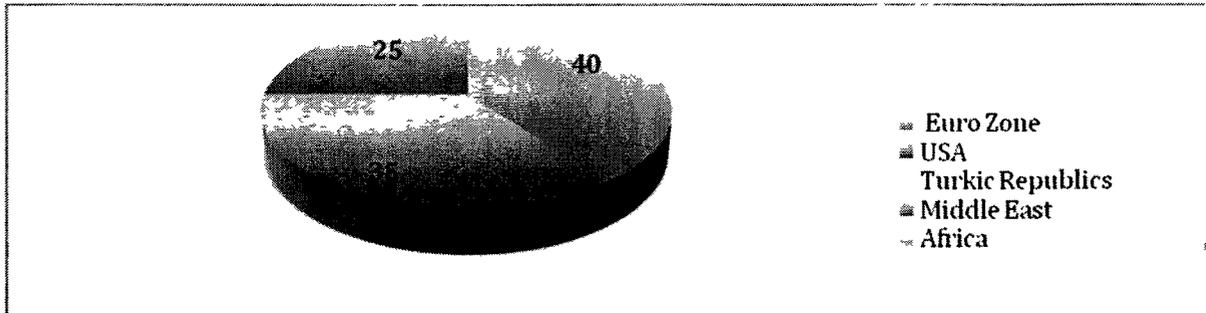
Globalization was a process that allowed Kayserian entrepreneurs to find new *niche* markets and in their quest to do so culture and religion often played a role since 2000, stagnating European markets have also led Kayserian entrepreneurs to establish new investment strategies in African countries, especially Muslim African nations. The interest in exporting to Muslim African nations can partly be interpreted as a manifestation of cultural affinity. Kayseri GESIAD (Young Businesspeople Association) has been instrumental in establishing these key business relations. Yet not limited to Muslim African nations, looking at the activities of GESIAD since 2002, there is an obvious increase in the number of exhibitions, business involvements and fairs organized between Kayserian entrepreneurs and African business people. Recently, GESIAD organized a "trade and investment" visit to South Africa in November 2009, with the participation of the Minister of Foreign Trade, Zafer Caglayan.

Other similar activities have been arranged including that of the Chief Consultant of the President of Senegal, Moustapha Ndiaye's, visit to GESIAD Kayseri in June 2009. His visit was an attempt to build new business networks between Senegal and Kayserian entrepreneurs. Ndiaye brought many investment incentives to the table including the provision of free land, customs duties exemptions, tax exemption for five years and infrastructural and technical assistance. Likewise, fifty Nigerian businesspeople were hosted by GESIAD in February 2008, and in December 2007, a group of businesspeople from Egypt visited Kayseri with the intention of establishing new contacts. Overall, there have been an increasing number of Kayserian businesspeople making investments in countries such as Senegal, Sudan, Nigeria and South Africa. A second geographical focus for GESIAD since 2008 has been Latin America, especially Brazil.

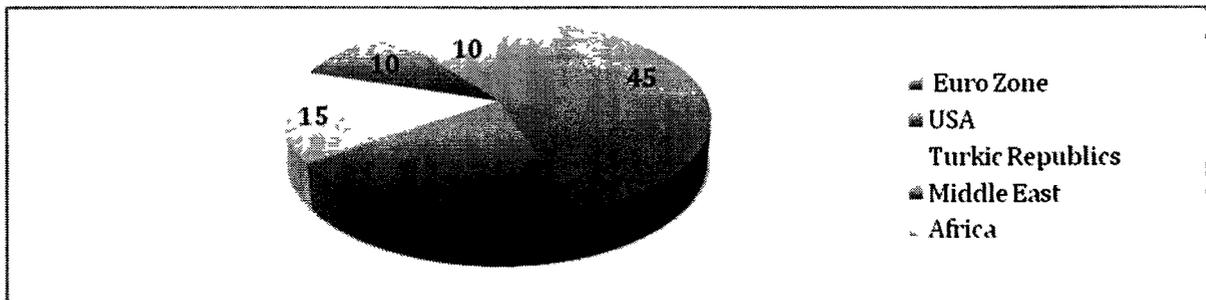
As Figure 4.1 indicates, the number of countries Kayseri exports to has gradually increased since the 1990s. Export volumes increased as well, reaching approximately 3.5 billion dollars in 2010. When the number of destination countries and export volumes are examined together, it is possible to conclude that globalization brought about a significant diversification of export partners and a host of new geographies for trade relationships. One important effect of having diverse geographies as trading partners has been the ability of Kayserian entrepreneurs to avoid the fragility of domestic markets. As Kilci notes, exporting to global markets has also meant a strong push for local producers to increase their quality and efficiency. In order to be more competitive in the global markets, there was a need for higher quality products and innovation.

Figure 4.6: Kayseri Export Performances

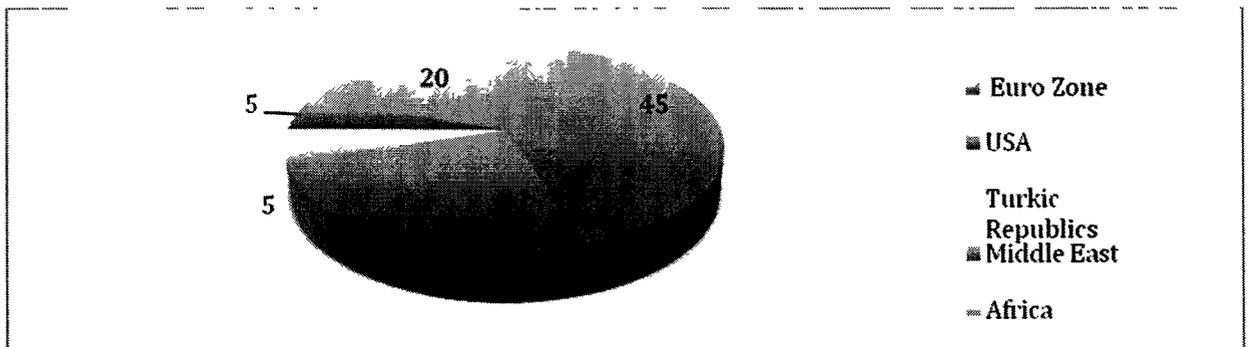
1990 - Total Export Volume: \$ 83 Million



2000 - Total Export Volume: \$ 767 Million



2010 - Total Export Volume: \$ 3.5 Billion



Sources: SIS, SPO and Greater Municipalities in Kayseri, Gaziantep and Eskisehir.

For Kayseri, however, the fruits of globalization were not limited to diversification of export markets. Kayserian producers were also the beneficiaries of capital imports that brought with them new technologies and enabled the establishment of more efficient production units. There were also new opportunities for the Chambers of Industry and Commerce, as both became members of the World Chambers Association in 2002. As Kilci from the KTO indicated, subsequent global congresses helped the Chambers to establish new business contacts and enhance their vision for new practices.

Kayseri aspires to produce more technologically intensive goods and to sustain better production standards. Hence, there is an urgent need for the aforementioned learning processes as well as for foreign capital.¹¹ Mustafa Boydak, argues that in order to compete in the global economy, Kayseri needs better marketing, technological and investment skills and better access to financial intermediaries. From his perspective, the process of globalization is vital for Kayseri, since the internalization of these skills is possible only through the in-flow of foreign capital and foreign expertise. While for some, the role of foreign capital and foreign presence is still a significant point of debate, most entrepreneurs acknowledge the fruits of the globalization process, and believe that Kayseri's

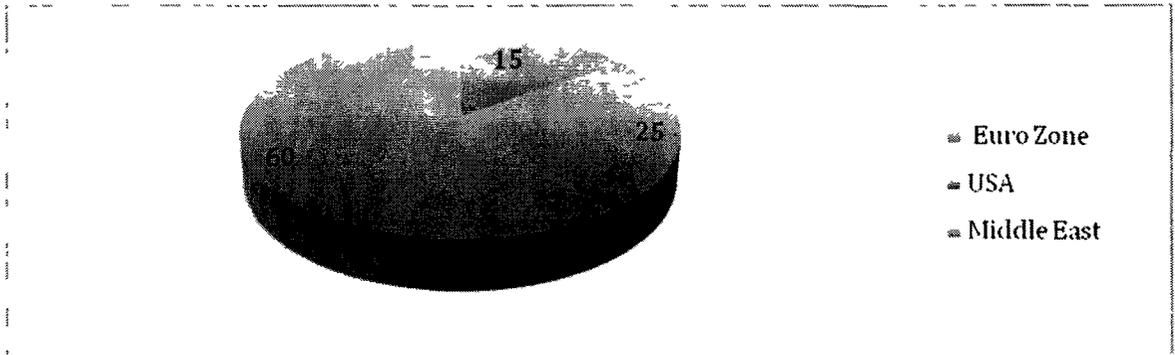
¹¹ As Ali Coşkun, former Turkish Minister of Industry and Commerce commented, Kayseri as the "leading" Anatolian Tiger has earned a powerful place in the global integration process with regards to its position as the industrial and commercial center of the Anatolian Region. This has occurred as Turkey seeks to become a center of attraction for foreign as well as domestic investors.¹¹

economic resurgence would not have been possible without the liberalization of the economy and the opportunities offered in global markets.

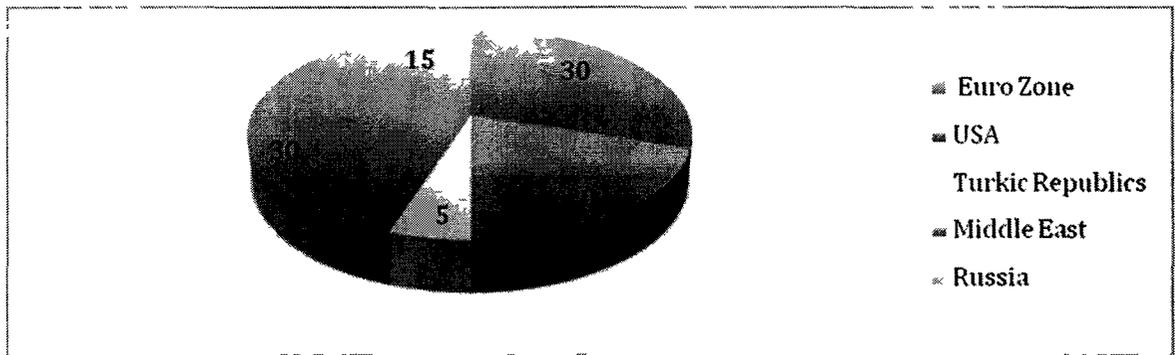
In Gaziantep, the process of globalization, is both similar to and distinct from Kayseri. As in Kayseri, globalization is portrayed as opening opportunities outside of the national economy. Like in Kayseri, entrepreneurs in Gaziantep have found new trading partners: the total number of countries the city exports to reached 142 countries in 2009. This broadening of export destinations along with increasing export volumes meant that exports from Gaziantep exceeded four billion dollars in 2009. As is illustrated in Figure 4.2, Middle Eastern countries, Russia and the Turkic Republics are among Gaziantep's main export markets. As in Kayseri, the share of exports destined for European countries has gradually increased since the 1996 Customs Union Agreement. Nejat Kocer, President of GSO explains this situation as "export mobilization". According to the export mobilization scheme, the GSO and GTO provided assistance to firms who sought to produce for foreign rather than national markets. The GSO's support of these firms included quality management, branding, and instruction on how to become more competitive in reaching foreign markets.

Figure 4.7: Gaziantep – Export Performances

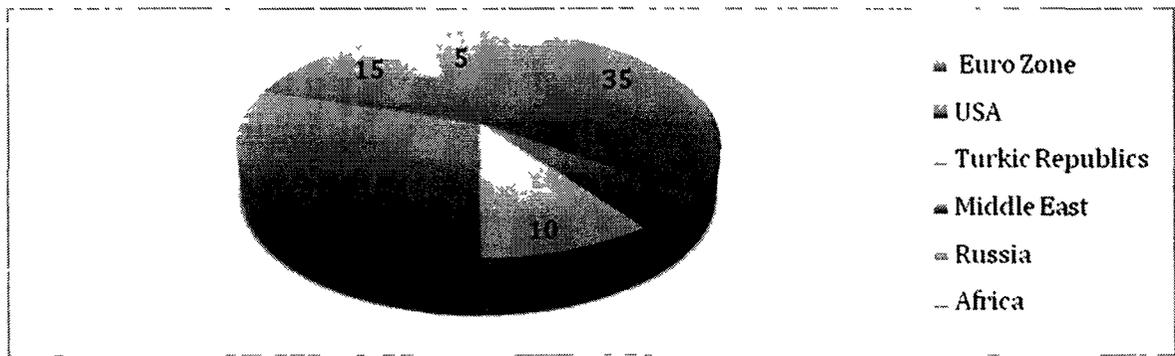
1990 – Total Export Volume: \$ 109 Million



2000 - Total Export Volume: \$ 1 Billion



2010 - Total Export Volume: \$ 4.1 Billion



Sources: SIS, SPO and Greater Municipalities in Kayseri, Gaziantep and Eskisehir.

An important difference between Gaziantep and Kayseri emerges in terms of city marketing. Urban growth coalitions in Gaziantep have been better able to

benefit from the city's historical, economic and cultural potentials. They have also been better equipped with the organizational capacity to establish market centered urban policies, including projects designed specifically to market their city. It is not a surprise that many interviewees identified Trademark City Gaziantep and Innovation Valley, pioneered by the GSO, as evidence of Gaziantep's success in deciphering and following the "globalizing" rules of the game. According to Kocer, President of GSO, the aim of the TradeMark City project is to create 100 national brands from Gaziantep, which corresponds to 1,000 new industrial units and employment for 50,000 workers until 2014. This target has been framed by the GSO as falling within the aim of making Antep a national model for Turkey. This strategy is indeed a national model as through Trademark City, Gaziantep has come to rank fifth in Turkey in terms of the total number of brand registrations. While the total number of brand and patent applications in 2001 was just 353, in 2008 it reached 1650. This is in line with the organizational and institutional capacity acquired through the Trademark City project.

Another difference pertains to Gaziantep's geo-strategic location in the south-eastern region of Turkey. This location was utilized by its urban growth coalition to position Antep as an ideal host of international trade forums and fairs, which have frequently been organized there. The presence of these fairs, expos and forums implies that Gaziantep has become a key city in the Middle Eastern region. This in turn positively influences Turkey's national policy in the region, especially when it comes to Iraq, which has been undergoing a restructuring and "remaking" process for a number of years. Forum Iraq is a crucial component of this scalar strategy. It

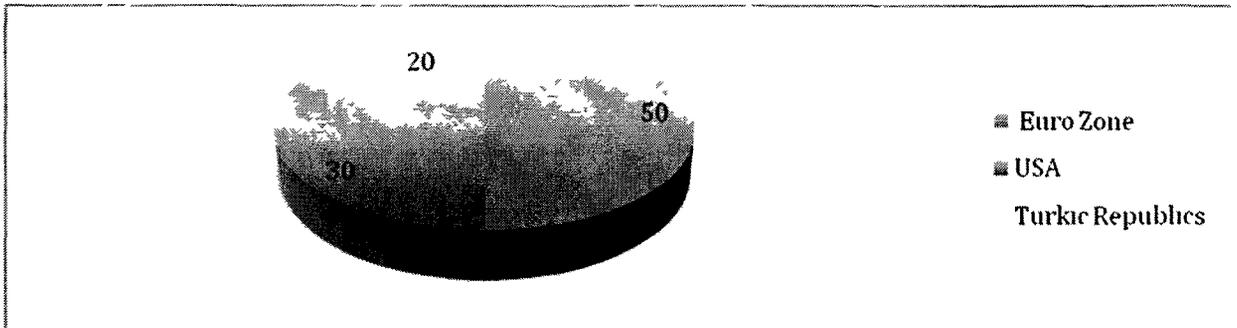
has been organized on a regular basis since 2004 by the International Forum Iraq Expo and Iraq Ministry of Trade. This expo attracts more than ten thousand visitors from 45 countries each year and increases Gaziantep's, as well as Turkey's role in the Middle Eastern region. It has also become an important source of leverage in foreign policy issues.

Gaziantep's strategic position in the region fits well with Turkey's increasing foreign policy activism since 2005. As Mehmet Buyukeksi, President of TIM, a national organization that represents the interests of exporters, confirms, Gaziantep has been acting as a coordinator between national actors and neighbor countries helping to initiate dialogue to reverse tensions, especially between Turkey and Syria on certain foreign policy issues. As part of Turkey's national opening to other countries in the region, it has introduced a new incentive scheme for SMEs exporting to Middle Eastern markets, who now receive additional tax incentives and are provided with lower electricity charges.

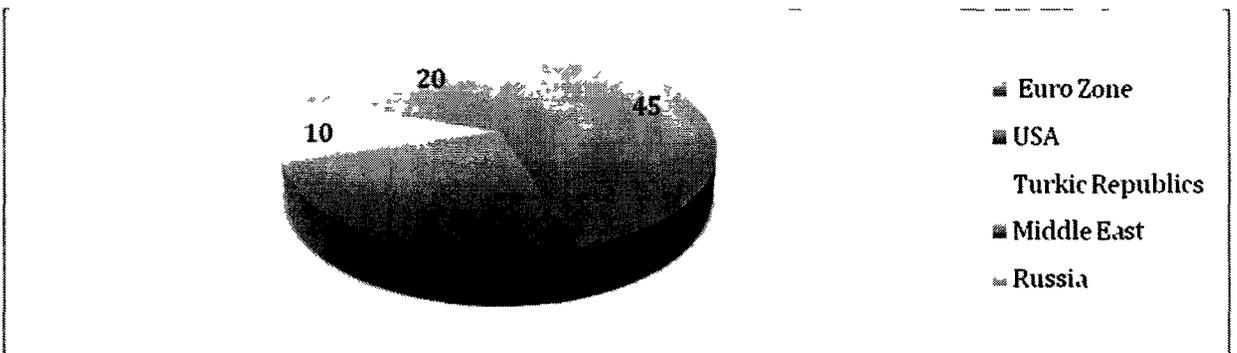
In Eskisehir, globalization also affected the number and geographical distribution of exporting partners. Unlike Gaziantep and Kayseri, however, the technology content of exports in Eskisehir was traditionally higher and this difference had important implications for Eskisehir's export patterns. According to a recent report published by the Center for Export Improvement (IGEME) in 2009, a national organization under the Ministry of Trade, Eskisehir now ranks third, after Istanbul and Ankara, in terms of the technology content of its exports.

Figure 4.8: Eskisehir

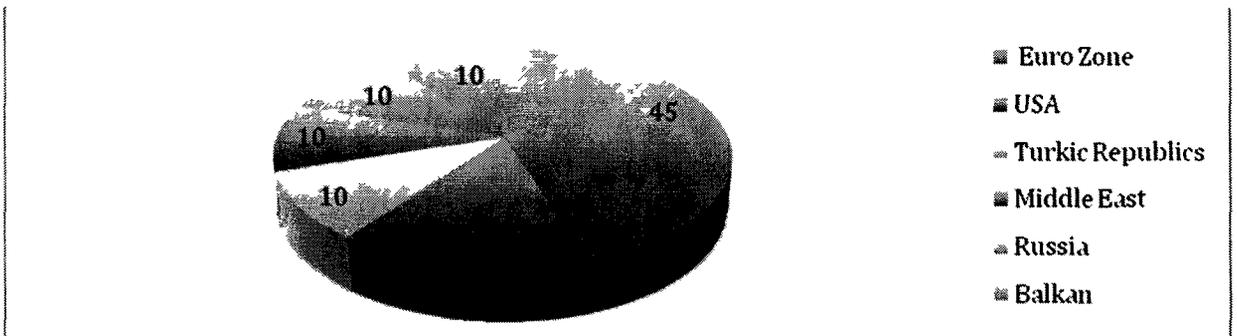
1990: Total Export Volume: \$ 125 Million



2000: Total Export Volume: \$ 900 Million



2010: Total Export Volume: \$ 2.5 Billion



Sources: SIS, SPO and Greater Municipalities in Kayseri, Gaziantep and Eskisehir.

Globalization brought new institutional arrangements for the ETO, Eskisehir Chamber of Trade. The agreement signed between the ETO and the Changzhou Chamber of Trade in 2008 in China is unique in the sense that it was the first time a Chamber in Turkey signed a “twin chamber” agreement with a Chinese counterpart. Given that 50% of Eskisehir’s total exports are already destined for EU countries, these agreements are crucial to outward looking entrepreneurs who seek to turn their attention to the “east” rather than the “west” to penetrate the emerging markets of the global economy.

In addition to export patterns, globalization in Eskisehir has had significant impacts on the technological infrastructure of the organized industrial zones (OIZs). Interviews conducted with the ESO confirm that local actors have established a long term organizational focus on global technological enhancements. One of the most common arguments along these lines, best articulated by ESO President Savas Aydemir, is that being successful requires being more innovative, not only in finding new markets, but also in developing innovative products believed to be the strategic weapons of the Eskişehir economy.¹² The nature of the infrastructural and technical services provided to companies within the OIZs is more sophisticated,¹³ and compared to Gaziantep and projects like TradeMark City and Innovation Valley, Eskisehir has been better able to integrate its technology efforts into production

¹² INTERVIEW WITH SAVAS AYDEMIR.

¹³ The establishment of the Eskisehir Science Park is one example of how competitiveness for global markets is sought after in Eskisehir. The Science Park involves an institute that operates in collaboration with the Open University of Anatolia in Eskisehir. This institute offers programs such as innovation and product development, industrial design, patent/trademark registration, and international law and patent issues, as well as special programs on polymers in the plastics sector.

structures and hence exports. In Eskisehir, despite a focus on few sectors and production areas, the relationship between investing more in technological enhancement and their effects on industrial production has been better sustained.

The Eskişehir Commodity and Stock Exchange (ESKTB) is another leading institution in the Eskişehir economy, acting as a pro-globalization and pro-Europeanization agent. It holds the institutional perspective that the latest technological developments in agricultural production should be closely monitored in order to keep up with global transformations and demonstrate progress. The institutional strategy of the ESKTB, with regards to global integration is defined by President Selim Ögütür as, “following the latest developments in mainly the EU and the US, and bringing these technological developments to Eskişehir, while putting great effort into adapting them to local conditions in order to maximize the benefits of the process” (interview with Selim Ögütür , conducted on December 3rd 2008, in ETO and ESKTB).

A number of private and public sector initiatives demonstrate the success of global-minded endeavours in Eskisehir. In the post-1985 period, as the Sarar Group witnessed rapid growth and established a partnership with global brand Hugo Boss, it became the pride of both Eskisehir and the nation-state. Its success confirmed that the globalization process provided opportunities and if the necessary organizational and institutional steps were taken, it would be a mutually constituting process, in which urban actors and the globalization process shape each other. Similarly, ETİ Makine Corp., one of the leading machinery sector corporations in Eskişehir,

emphasizes the importance of well-established foreign relations. They adhere to the corporate view that global partnerships and the strategic division of labor among parties will raise productivity and profitability, both of which are crucial to making Eskişehir itself a well known global brand (Taşkın and Beceneli, 2008a). Finally, the establishment of the Eskişehir Science Park exemplifies the pursuit of competitiveness in global markets in Eskişehir. The Science Park involves an institute that operates in collaboration with the Open University of Anatolia in Eskişehir. This institute offers programs such as innovation and product development, industrial design, patent/trademark registration, and international law and patent issues, as well as special programs on polymers for the plastics sector.

4.3.2 Europeanization and Anatolian Cities

The second process contributing to the economic, social and institutional transformation of the three cities is Turkey's relations with the EU have experienced ups and downs and EU membership as a national project has been losing ground in Turkey due to the country's slow adoption of required institutional reforms. The dynamics of Turkey-EU relations and the specificities of this process are beyond the scope of this analysis. There are however two key dimensions of the Europeanization process that are of interest: (1) the involvement of EU-related

institutions, such as ABIGEM, Enterprise Europe, and EuroChambers, and their visibility and significance in Anatolian cities; and (2) the impact of the 1996 Customs Union Agreement, which generated extensive European exporting opportunities for Kayserian entrepreneurs. This section focuses on major activities of these institutions and the ways in which they interact with the socio-economic and local institutional realities of the Anatolian cities. In addition, it seeks to understand why the globalization process is seen as relatively more hazardous by local actors and restricted to the economic realm, while Europeanization has been better able to penetrate other societal realms.

Europeanization has a different type of articulation for local actors in Anatolian cities, because it has also involved the establishment of non-economic connections and interests are also established, especially within municipal affairs and civil society. Thus, the transformative impacts of Europeanization reach more actors. In each city, optimistic perceptions of Europeanization are common, however the institutionalization of the Europeanization process takes place in accordance with the cultural dynamics of the local contexts. In Kayseri, the Europeanization process was rendered most visible through sister city projects with European counterparts, an endeavour that has been much less visible in other cities. The sister city projects can be regarded as a significant push for further communication among cities of diverse geographies. Kayseri became sister city of a German city, Saarbrücken when the protocol was signed by the two Mayors, Mehmet Özhaseki and Michael Burkert (Türkmen, 2007).

Another facet of Europeanization process has been occurring through the establishment of EU Information Offices. These offices have been instrumental in providing guidance and orientation to local civil society groups as well as increasing public awareness of the EU through the implementation of EU funded projects. Not surprisingly projects targeting women's empowerment have become especially visible as representing women's rights according to the criteria for EU integration. The most recent gender project in Kayseri was successfully completed in 2007 and aimed to increase self-awareness among working women over the age of 28 to help them achieve senior level management positions. (Kayseri Chamber of Commerce 2008).

The case of GESIAD (Kayseri Young Industrialists and Businessmen Association) is also illuminating. Namık Subaşı, Secretary General of GESIAD,¹ Subaşı noted that more than one hundred participants have recently been trained for six months within two fishery projects. These projects have led to the establishment of the greatest cage fishery system in Turkey, the products of which are directly exported to Germany. An additional budget of 100,000 Euros has also been rendered available for industrial design projects under the management of Kayseri GESIAD.

As part of the EU funded projects, it should be noted that the Europeanization process has also opened specific economic opportunity zones. Similar to the municipality's efforts around sister city projects, the Kayseri Metropolitan Municipality has become a leader in helping local entrepreneurs to get the most out

of these programs by establishing a special institutional structure for EU projects, the Directorate for the EU and Foreign Relations. It was established in August 2006 with the goal of developing projects that benefit from the EU information network and funding. The institution specializes in project preparation and execution. As of the end of 2007, the Kayseri Metropolitan Municipality had been a part of five EU projects and acquired 6,350,000 Euros in funding from the EU.¹⁴

Finally, the Regional Development Program, co-funded by the EU and the Republic of Turkey and executed by the State Planning Agency (DPT) and the Central Anatolia Development Union (ORAKAB), represents another critical institutional initiative for Kayseri. The program, which commenced in 2006, has become a central component of the regional development strategies of the DPT, which aim to prepare certain regions of Turkey to benefit from EU pre-accession funds by participating in available EU projects. Applied in thirteen different cities, including Kayseri, the project has provided technical and practical know-how about EU projects and their funding structures. The program has also strengthened the culture of strategic planning among participants. The financial contribution of the program to the city was notable, as 86 of the 265 projects realized profit, which exceeded their strategic plans.¹⁵

In Gaziantep, the European Union Business Development Center (ABIGEM) is the central organization for bringing EU “input” into the city. This organization not only helps Antep build business linkages with EU countries, but strengthens Antep’s

¹⁴ For detailed information, see <http://www.orakab.gov.tr/>

¹⁵ For detailed information, see <http://www.orakab.gov.tr/>

position in the region. The Gaziantep ABIGEM has also been instrumental in realizing the city's regional potential and dynamics. In the textile and food sectors, in particular, ABIGEM has organized Syria-Turkey communication days, which seek to improve business relations between Turkey, Syria and Iraq. Since April 2000, the ABIGEM has organized more than twenty-five of these meetings and many have explicitly focused on hosting Turcoman Iraqi businesspeople. Likewise, the Gaziantep Business Forum, a sister organization, has been quite active in organizing activities to bring together European and Iraqi companies. In December 2008, a meeting was organized with the participation of 40 European and 140 Iraqi companies.

Two ABIGEM projects in Gaziantep warrant further discussion. These are the Pistachio Sectoral Project and the Bulgur Sectoral Project. The major objective of the first is to help the pistachio sector expand in order to reach strategic relevance in the region. It also aims to introduce and create awareness of necessary food health and safety standards in line with the EU accession regulatory requirements in Turkey. Currently, fifteen companies have been educated and four of those firms have received the Hazard Analysis and Critical Control Points (HACCP) certificate. The second project, the Bulgur Sectoral Project, seeks to increase the efficiency and safety standards of bulgur production in Gaziantep (which constitutes 50% of Turkey's overall production) to meet EU standards and help producers better communicate with their target markets, wholesalers and intermediaries. To date, forty-seven companies have received this technical assistance and it has contributed to the total volume of Gaziantep exports, which stand at three million Euros.

As Funda Suran notes, the mission of the Gaziantep ABIGEM is to support local SMEs with a full range of management consultancy, training, and information services to enhance their competitive position and help them to achieve their potential. Among the thirteen ABIGEM centers in Turkey, the Gaziantep ABIGEM works as the administrator and coordinator of the others. Funda Suran, head of the Gaziantep ABIGEM, emphasizes a key point in terms of the role of ABIGEMs and the EU's impact in Gaziantep. She claims that investors, producers and entrepreneurs in Gaziantep have learned in this process that there is indeed a "win-win" model. The Gaziantep Business Forum and ABIGEM's joint efforts to bring together businesses from European countries, Gaziantep and neighboring countries also helps to construct new institutional dialogue and interactions. Intensive demand by Spanish companies to participate in ABIGEM and Business Forum meetings led the Chambers of Trade in Valencia, Madrid and Barcelona to coordinate their activities with the ABIGEM and Gaziantep Chamber of Trade, enabling an institutional rapprochement. Institutions such as the Spanish Institute for Foreign Trade, MedValencia and Barcelona Activa have likewise sought greater collaboration and coordination with the GTO. In September 2004, Spain's biggest retail chain, El Cortes, organized a "Turkish Products Week" where many companies from Gaziantep presented their products. The world's largest food sector fair, SIAL, has also been hosting more Gaziantep firms than ever before.

Suran's perspective does warrant critical consideration in the sense that, despite the positive perception of local actors, the city's increasing export capacity has not necessarily benefitted the working class to the same extent. Consequently,

the EU has attempted to engender its local acceptance through both non-economic and economic transformative interventions, which take into consideration the local socio-economic and institutional realities of the city. Gaziantep's high inflows of migrants from the Eastern regions of Turkey and the increasing social and economic problems experienced by these migrants and their families have been a critical point of concern for the EU. The Economic and Social Integration (EKOSEP) project, in this regard, can be seen as a social compensation mechanism, which tries to address the problems experienced by migrant-workers. Gaziantep is one of four pilot cities participating in the EKOSEP project funded by the EU as a regional initiative to assist cities in the Southeastern region of Turkey in solving issues stemming from increasing migration. Gaziantep was chosen as the hub of the project and has been responsible for the implementation of program in the other three cities.¹⁶ The overall objective of the project is to initiate local projects mobilized around different urban actors in areas such as economic development, participatory local democracy and infrastructural amelioration, all of which are related to migration in these cities.¹⁷

Increasing Europeanization thus not only refers to increasing economic linkages, but also to increasing awareness that Gaziantep, as the rising star of the south-eastern region of Turkey, needs to have better solutions to its socio-economic

¹⁶ The other three cities in which the project has been implemented include Sanliurfa, Diyarbakir and Erzurum.

¹⁷ For details, <http://www.ekosep.net/web/projectprovinces/gaziantep>. These initiatives also aim to increase the diversity of services provided by local municipalities and increase capacity. There are multiple "pilot" projects in progress in Gaziantep and other EKOSEP cities, including child and youth rehabilitation centers, child-care facilities and increasing support to children of immigrant families. EKOSEP projects largely focus on the younger generation and the social aspect is always privileged.

problems including informal/unregulated labor, poor working conditions, and distorted urbanization patterns. As the examples above suggest, the increasing visibility of the EU and its increasing collaboration with the Metropolitan Municipality has created greater awareness of the socio-economic problems encountered as a result of neoliberal globalization.

Eskisehir's Europeanization process is neither limited to the search for new markets and increasing production levels in post-1980s period, nor to hosting pilot projects such as EKOSEP. In Eskisehir the transformative impacts of the Europeanization process are spread through different realms, including various economic sectors, education systems, urban regeneration projects and labor force quality issues. The involvement of the EU in these areas has the objective of ensuring its impacts are not confined to the boundaries of a single institution, but are instituted and organized through the collaboration of various organizations.

ESO and ETO's institutional strategies illustrate the versatility of the Europeanization process in Eskisehir. The ESO and ETO have initiated various technical assistance programs designed by the EU. Among these ESO-EU partnerships are the Leonardo da Vinci Vocational Training Program, the EU Active Labor Force Program, and the Strengthening the Vocational Education and Training System in Turkey Program (MEGEP). These programs bring a significant level of know-how to the city; moreover they trigger EU investment in different fields. It is possible to argue that EU involvement is quite compatible with local Eskisehir characteristics, as these European oriented partnerships diagnose and make better

use of the relatively better educated and better trained labor force, compared to Kayseri and Gaziantep where *fason* production and unskilled labor are abundant.

The main activities of the Eskişehir ABİGEM include adjusting the corporate structures and institutional mentalities of Eskişehir firms and SMEs to better match their European counterparts and providing training and consultancy to local firms faced with problems stemming from adaptation to EU legislation.¹⁸ These characteristics in general are indicative of claims that emphasize Eskişehir's ability to adapt itself to European market norms, which generally reflect market based principles.¹⁹ Hence, unlike Kayseri and Gaziantep, Eskişehir's share of exports to EU countries is now more than 50%.

The Europeanization process goes beyond creating new economic geographies as mentioned above, and Eskişehir's record of attracting European capital into the city is more significant than most Anatolian cities.²⁰ The institutional efforts

¹⁸ For detailed information see <http://www.esabigem.net/sayfa.php?s=1>. The institutional counterparts of the ABİGEM are the European Commission, TOBB, ESO and ETO, which share the common view that local SMEs should be supported and encouraged to pursue their sustainable development in international markets

¹⁹ In this respect, Selim Ögütür, the President of ESKTB, reflects this ability by highlighting Eskişehir's focus on significant levels of adaptation to the agricultural regulations of the EU. In light of EU norms on agricultural production, the long term target of the Eskişehir economy is defined as lowering the weight of the total agriculture labor force to 7% by increasing productivity. According to Selim Ögütür, the resulting labor supply channeled from agriculture to industry should be embraced by a planned urbanization process, which will be the key to the further development of the city in the near future. The mass housing projects of the Eskişehir Metropolitan Municipality enabled the sustainable absorption of incoming populations by the urban center and they are believed to provide a model to many cities.

²⁰ While Turkey in general suffers from low levels of Foreign Direct Investment (FDI), the decision by Germany-based Viessmann Group, a leading international manufacturer of heating systems, to open a factory in Eskişehir is a stark indicator of Eskişehir's progress in terms of providing an attractive

pioneered and coordinated by Mayor Büyükerşen have sustained the significant flow of European funds into the city.²¹ For instance, the municipality's urban regeneration master plan received significant financial assistance from a leading EU institution, the European Investment Bank (EIB). In the post-2000 period, successive urban projects like the light tram and other infrastructural plans, have been amalgamated into a massive undertaking called the "Urban Development Project" and presented to the EIB, with the aim of obtaining technical and financial assistance.²² Also in the case of Eskişehir, credit provision opportunities sustained through European sources have played a more vital role than in the other two cities. The relatively higher number of banks providing credit and international capital in Eskişehir reveal that market-based forms of capital formation are more common in Eskişehir as well.

4.4 Conclusion

This chapter has described the socio-economic and cultural background of the Anatolian cities before and during the neoliberal globalization process. While there were similarities - less state support, less state-led industrial and manufacturing infrastructure, and growth patterns associated with aggressive exporting strategies,

space for the foreign investors, developing a vast organized industrial zone equipped with high technological standards and providing favorable parcel rates to domestic and international investors.

²¹ Such as Mayor Büyükerşen, who was appointed Head of the Turkish Delegation to the European Council Local Government Initiatives for which he attended meetings in Strasbourg every six months up until 2004. These visits to Strasbourg and subsequent meetings in the EU have had a considerable influence on changes to the urban space of Eskişehir.

²² After a series of visits between the municipal officers and bank representatives from Luxembourg and Eskişehir, the Bank granted a total fund of 120 million Euros to the Eskişehir Metropolitan Municipality in the year 2001.

there are also significant differences. For instance, even though Eskisehir had a relatively better base due to the state's industrial investments in the early 1920s and 1930s, all three cities in general suffered from soaring public (municipal) investments and lack of private incentives. In this context, exporting became the most attractive route to deal with the successive crises of the Turkish economy, the accompanying currency devaluations and need for capital accumulation.

While the number of exporting companies increased substantially in all three cities, the processes of globalization and Europeanization also created numerous other opportunities, such as increasing the diversity of export destination countries and establishing bi-lateral relations at the business association, chamber and municipal levels. These processes confirmed that outward looking Anatolian firms were doing the right thing by producing for external markets, rather than competing in the domestic markets, already fragile due to unemployment, shrinking demand and inflation. As we saw, even for municipal administrations, as in the case of Gaziantep, looking to international opportunities, such as international credit and lending institutions, became an increasingly accessible and necessary option in the post-1980s.

An important finding of this chapter has been that in explaining the strong export performances of the Anatolian Tigers, the repression of real wages, decreasing unionization and casualization of labor are crucial parameters that warrant further examination. In this setting, even rising productivity levels were often artificial, since inflation led to a bubble economy and the main source of

productivity was the erosion of real wages. Consequently, urban growth coalitions benefited not only from increasing export markets, international credit options and EU guidance, but also informal and low-wage labor. While this chapter portrayed the determinants of the economic success of the Anatolian Tigers by considering a variety of dimensions in comparison to national statistics and trends, the next chapter will complement this analysis by looking more closely at the urban growth coalitions and the forms of embeddedness they utilize.

Chapter Five

Forms of Embeddedness and Communitarianism

5.1 Introduction

This chapter attempts to shed light on different sources of communitarianism by drawing a picture of the institutional forms of embeddedness and their societal representations. This chapter concentrates on the key actors, institutions and networks in each of the three cities and elaborates on how they draw on and develop representations of the cities. While no one actor is responsible for developing these relationships, certain ones have the upper hand in making key decisions. This chapter shows that the existence of societal, territorial and network embeddedness played a vital role in mobilizing key economic actors and in sustaining the social dynamics required for production booms and also socializing the costs of these production booms. This chapter aims to uncover these manifestations and identify the characteristics of the different forms of embeddedness, such as societal/cultural, territorial and network, which embed growth oriented urban regimes in the cities of Anatolia.

5.2 Societal/Cultural Embeddedness

“Anadolu’da Sehirlere Hayat Veren Aileler” [Families in Anatolia which give life to their cities]

~ Title of a special feuilleton published in a national daily newspaper called Radikal (21-28 June, 2006). Seven families from seven Anatolian cities were introduced.

In the cities investigated, the major indicators of societal/cultural embeddedness that I have coded through interviews and the survey correspond to the existence of locally strong families in these cities. Hence, the concept of family is at the center of the societal embeddedness. Local families play a critical role in coordinating and mobilizing other families in creating a communitarian effort. For instance, the family owned enterprises benefit from the inter-familial linkages, such as exchanging workers when a company is in need and logistical support...etc. Economic relations are thus embedded in social practices among families. Philanthropy also acts as a key avenue for local families to entrench their reputation in their cities. Establishing schools, dorms for students, health centers, renovation of historically prominent sites in the city and naming these after elder family members is a very common socio-cultural practice.

In Kayseri, the Boydak family is at the center of historically established societal power relations. The Boydak family's well-established presence in the city is rooted in a specific district, Hacilar, the hometown of Hacı Boydak who was the founder of Boydak Holding.¹ Currently, Boydak Holding employs more than 70, 000 workers in

¹ Many enterprises including Istikbal, Bellona, Merkez Çelik, Boyteks, Boydak Foreign Trade, and Boytaş were established by the Boydak family, who were among the founding partners of HES Cable Systems, and were united under the body of Boydak Holding. Hacilar District is of crucial importance for Turkish political life since currently there are many Hacilar born politician and statesmen, such as the current President Abdullah Gul.

32 companies operating under the umbrella of Boydak Holding.² What does the presence of the Boydak family, as a strong local establishment, mean for the communitarian ethos of the city? As Dogan (2005) indicated, the Boydak's existence brings important material benefits to other families. For instance, as Ozcan (2008) indicated, *ev oturmalari* (home gatherings) are the most effective instrument of socialization for these local families and these gatherings act as a venue for discussing economic actions and strategies (Ozcan 2008: 23). These gatherings are not between "equal" members: Boydak Family and members are at the center. Decisions are not taken in the form of orders but members discuss the viability of certain actions and their consequences in accordance to their economic benefits and also their social and cultural outcomes. These gatherings are organized usually in the residences of leading local families in the city, but in the summers, in the large country houses on the outskirts of Kayseri. In these gatherings, Islamic codes and regulations are also discussed in relation to the economic decisions made.

In Kayseri, Ozcan (a journalist from Aksiyon Journal) notes that, the participants of the gatherings also involve municipal leaders. For instance, mayor Mehmet Ozhaseki is very close to the Boydaks and participates in these meetings. The perspective of the Greater City Municipality is thus taken into account when decisions are made. Therefore, as an implication of the embeddedness of economic actions into social/cultural relations, business relations and family relations cannot be separated. Eighty per cent of respondents to my survey claimed that family

² Daily Radikal Newspaper, Dossier on Rising Anatolian Cities: Kayseri Case – June 14th, 2007.

linkages and interdependencies organize and discipline business relations in Kayseri.

This claim means that Kayseri's economic success can be linked to the communitarian efforts mobilized through closely-knit families who socialize economic decisions and can collectivize their actions. As one of the interviewees indicated, when a member's son gets married or when somebody dies, the rest take care of them. When somebody goes bankrupt, other families step in and support them. Perhaps Kayseri's success in maintaining this strong local communitarian ethos in the past is related to stable demographic conditions. Unlike Gaziantep and Eskisehir, Kayseri has a very low rate of in-migration.³ The disciplinary and regulatory impact of social and cultural local institutions in Kayseri also mean that economic decisions are made collectively in a communitarian fashion. In Kayseri, 72% of the subjects of the survey indicated that they avoided using bank credit since interest payments were forbidden in Islam. When they ran into financial difficulty, they generally borrowed money from family and other kin.

The survey results also indicate that 75% of the respondents internalized only one form of capitalism, family owned SMEs. This is a sharp contrast to the Istanbul-based capitalists represented by TUSIAD, since family owned enterprise were less common among the TUSIAD members. This suggests that family interest has priority over self interest. Family members, as shareholders, do not experience conflicts vis-à-vis the family culture. Family resources are collectivized and there is

³ Turkish Statistical Institute, http://www.tuik.gov.tr/AltKategori.do?ust_id=9

a certain level of internal discipline as well as investment in the future. Thus, many see it as vital to send children to foreign schools to gain international education and experience, and expect them to bring home the know how they attain in the Western context as vital.⁴

Societal embeddedness has also implications for the Chamber of Industry, whose president is Mustafa Boydak and where four other family members have official capacity in this establishment. Similarly, a family very close to the Boydaks, the Molu Family has representatives in the Chamber of Industry (KSO) and this means that the influence of Boydaks is also felt in this organization. This is another indicator that societal and cultural embeddedness is vital for the communitarian efforts and creates a communicative code among its members and the role of families, both in the form of family owned businesses and civil organizations such as KSO,

Family ties also play an important role in embedding Gaziantep's economic relations. In Gaziantep, Konukoglu Family, who owns the SANKO Holding, the largest economic establishment of Kayseri, employs more than 125.000 workers. In terms of philanthropy, well-established local families, such as the Konukoglu and Nakipoglu families,⁵ engage in philanthropic activities, the scope of these activities is

⁴ Among the 15 family owned businesses (current owners as "fathers" or "grandfathers") 12 of them indicated that they either have sent their children or seriously thinking of sending their children to top MBA schools in Europe or United States.

⁵ Osman Nakipoglu and his family own one of the 500 largest companies in Turkey. Mr Nakipoglu is also the head of MUSIAD. The Nakipoglu family is close to Islamic business associations and the Fetullah Gulen group. The family built both a primary school and a boarding school for the poor in Gaziantep. The family's social charity is closely linked to its sectarian ties and is part of a distribution

more modest than in Kayseri. Abdulkadir Konukoglu states that it is their responsibility, a responsibility with strong historical roots, to support Antebians. Recently, the foundation established in memory of Sani Konukoglu provided assistance to 1200 university students and financed the establishment of fourteen schools, stadiums, and emergency health centers. As in Kayseri, 90% of survey respondents indicated that family businesses are vital for the “moral” economy. In fact, “moral” is a very loaded descriptive word for the respondents, in the sense that when I raised a follow-up question and asked them to expand on what it means, 75% mentioned that family enterprises belong to the city and they would contribute to the city rather than transferring to profits to other places. Comparing local capitalists with international capital that has invested in the city was striking. Respondents underlined that while foreign capital only cares about profit and it lacks any moral attachment to the city, it is not the same for Gaziantep born investors. According to the respondents, family owned enterprises know that employing more local labor and contributing to the city economy is vital. Therefore, morality implies attachment and emotional connection to the locality. This perspective resembles Kayseri, in the sense that the economic dominance of locally strong families in economy and family owned SMEs reveal that economic activity is embedded in societal structures, which not only regulate and organize business life, but also envision a “fair” market system from the perspective of respondents.

of roles within its Islamic network of businessmen. The current chairman of the Gaziantep Organized Industrial Zone is Cahit Nakipoglu, Mehmet Nakipoglu’s son. He is also the current head of the governing board of NAKSAN Holding. Much like the Boydak family in Kayseri, in Gaziantep it is common to see schools established in the honor of Sih Mehmet Nakipoglu, and TOKI houses or female dormitories established in the name of grandmother Emine Nakipoglu.

In understanding the role of families in embedding markets, in Gaziantep, we have to recognize the socio-historical and cultural practices that help us better decipher the forms of societal and cultural embeddedness. The first form of societal and cultural embeddedness is the tradition of *tesanütçülük* (a kind of ombudsmanship). This tradition is closely related to what survey results indicated regarding the disciplining of business life and markets. This tradition is an example of how markets and market-based economic activities are embedded in socially and culturally “invisible” codes and traditions. The *Tesanüt* tradition is one of these intersubjective practices of embedding markets into historical cultural traditions (Arolat and Bozkurt 2009). The *Tesanütçülük* tradition is the social practice which most closely resembles the role of Islam in Kayseri and is the most visible materialization of societal embeddedness without an Islamic connotation. *Tesanütçülük* is similar to accepting the position of an interlocutor; however, the social role of the “*tesanütçü*” is more prominent because rather than only solving problems among different actors and helping build consensus, *tesanütçü* is responsible for convincing other actors that their actions and strategies should conform to the “common good” and that they should work for the benefit of the whole society. In certain cases, the *tesanütçü* identifies people who are in need of support and initiates support for these families. In fact, the word *tesanüt* means solidarity and the *tesanütçü* thus refers to a person who works for sustaining networks of solidarity. This mechanism of cultural solidarity becomes functional through the generosity of locally strong families. In part because of prominent families, their *tesanüt* tradition, and their search for and identification of those in

need of financial support and assistance, this societal tradition remains an instrument of mobilization for certain social and economic interests through the provision of ad hoc compensation. In certain cases, if a worker is no longer able to work, the *tesanütçü* identifies his/her family and regular income is sustained for the family.⁶ In some other cases, for instance death, the *tesanütçü* uses his network and generates support.

Sani Konukoglu, the founder of the SANKO Holding and his son, Abdulkadir Konukoglu, the current head of the company and head of the GSO congress, reflect the practices of *tesanütçülük*. Interviews in the media with the representatives of Nakipoglu Family made it clear that what is understood as *tesanütçü* differs from the historical understandings I encountered in the local newspapers and municipal archives. The interviewees mentioned that the idea is still functional, but due to increasing population, it is relatively limited. It was also argued that now the *tesanütçü* tradition is a mechanism to create solidarity among the people you “know”.

In fact, these statements reveal partially the discomfort regarding the increasing Kurdish population in the city. Interviewees often referred to the concept of “city nationalism” or “regional nationalism” to imply that national unity in Gaziantep suggests a conception in which Gaziantep’s peculiar historical trajectory has led to a search for solidarity that unites different actors for the betterment of the city. Despite the differences in terminology, whether respondents invoked city

⁶ Gaziantep Municipal Library Archival Research.

nationalism, regional nationalism or national unity, all referred to the shared value of patriotism, with reference to Gaziantep's heroic past. This rhetoric contains some important ambiguities leading to questions such as whose nationalism, whose common good, whose city nationalism. In this context, historically effective practices such as *tesanütçü* tradition are seen as a strategy to exclude newcomers from economic opportunities.

In comparison to Kayseri and Gaziantep, the role of local families in Eskisehir is rather limited although there are locally strong families such as Sarar Family, which own Sarar Holding and employs more than 25,000 workers. Similarly, the Kanatli Family and the Zeytinoglu Family are well-known and well-entrenched families in Eskisehir. Unlike Kayseri and Eskisehir, however, these families are closer to the socio-economic and ideological profile of Istanbul-based holding companies than to the conservative family style of Kayseri and Gaziantep. An important implication of this difference is that their connection with the local people and the city does not include philanthropy. In marked contrast to Kayseri and Gaziantep's experience, there are only two schools funded by the Sarar Family.

The results of both the surveys and semi-structured interviews suggest that the role of religion and conservative social values in Eskisehir is also quite limited. In fact, the institutional dynamics and societal representations forged around religious conservatism in cities like Kayseri and Konya are seen as a threat in Eskisehir as 85% of respondents perceived conservatism as social repression. This is related to the socio-institutional dynamics in Eskisehir, which were motivated by

the involvement of the state in various spatial interventions especially in forming industrial units, and in the broader secular project which saw Eskişehir as a city of the secular middle class much like Ankara, which is a city that is very close to Eskişehir in terms of physical geographical proximity. In Eskişehir, religion is seen as a private concern, rather than as a glue connecting different families and social groups around certain objectives. The social and demographic structure in Eskişehir obviously has a crucial role here.

As one of the showcases of early modern Turkish Republic in the 1920s with a multi-ethnic demographic structure, Eskişehir was free of religious and sectarian repression. Leading Islamic sects and *tariqats* in many Anatolian cities are not well established in Eskişehir which aspired to create a large middle class as well as spatial arrangements in which the public sphere was identified with, and aided in the creation of, the modern Turkish republic nation. In the modern Turkish Republic, the public sphere was a controlled social space, which not only excluded many groups and identities as illegitimate actors but also engaged in the active creation of individuals as modern subjects (Mardin, 1992). Along with Ankara, Eskişehir can be seen as one of the cities in which this became a driving force in (re)inventing urban space.⁷ Consequently, unlike the vivid examples of family-based forms of sustaining social solidarity through charity in cities like Kayseri and

⁷ This “alternative” understanding of urban space in Eskişehir is also related to its historically impressive press tradition tracing back to the Pre-Republican Period. The first communist newspaper “New World” [Yeni Dünya] was published in Eskişehir in 1911 (Taşçı, 2009: 76). Eskişehir’s first local newspaper was published in 1908 and as Taşçı shows the ideological position of this early newspaper was communist, envisaging a different and radical city, far beyond the imagination at that time.

Gaziantep, in the case of Eskisehir, rather than families building schools or dormitories for the students in need, there are more institutionalized forms of support, such as the central role of a social democrat controlled municipal government. This was especially true under the Buyukersen administration, which made more systematic and municipally administered social programs such as food/coal distributions, establishment of housing units for the homeless, training programs for the low-income segments, support to students coming from difficult conditions, etc. Broadly, the social and cultural embedding of markets and business in Eskisehir contrasts sharply to thereof in Kayseri and Gaziantep.

5.3 Territorial Embeddedness

“...why should I leave this city? If I leave and if my business goes down, there is nobody to help me in other cities except banks...this city helps me, if I have a money problem or any other problem, I make a couple of telephone calls, that is it...”

~ From an interview with the owner of a local SME in Gaziantep.

Territorial embeddedness as presented in Chapter 2 refers to the city-identities, in other words, the extent to which an actor is anchored in a particular territory or place. As the quote above illustrates, attachment to the city can contribute to embeddedness, so that being embedded in communitarian establishments provides a strong sense of security. This in turn builds a connection with the city. Economic actions, market strategies, and critical decisions are not only embedded in societal and cultural forms, but territorial factors also shape local actors. Through the survey and the semi-structured interviews, I compiled multiple indicators of territorial embeddedness such as seeing reinvesting profit in the city rather than looking for

opportunities in other localities, a feeling of duty that to contribute to the city as a pay back to their ancestors, such as the city history. Territorial embeddedness manifests itself most often via economic decisions, which express local entrepreneurs' intention to stay in their home cities and employ local labor rather than to look for opportunities in other cities. Here, the mobility of capital is significantly constrained by such ties.

In Kayseri, for instance, 85% of survey respondents mentioned that thinking of investing in a neighboring city, such as Nevsehir, Yozgat or Sivas is totally out of issue. Similarly, many entrepreneurs often said that family traditions and historical attachment to their city meant to prefer investing in Kayseri, "to make the motherland fresh and shiny".⁸ These emotional sentiments reveal that the duty of contributing to the "homeland" is seen as virtuous and differentiates between "good" Kayserian and "bad" Kayserian. The profile of Kayserian entrepreneurs also supports this claim: 94% of entrepreneurs in Kayseri are Kayseri-born and 78% of them are carrying on their fathers' economic establishments (TMMOB 2007). To be born in Kayseri also benefits the entrepreneur. Entrepreneurs are attached to their current locality by their family links and background. The question "why did you set up your business in this city" is completely meaningless for them. The downside is that, for immigrants from other provinces it is not easy to obtain credibility in the market.

⁸ INTERVIEW WITH NIHAT MOLU, ERDAL CINAR AND HUSAMETTIN TOPRAK.

The way leading entrepreneurs of the city and municipal leaders convey public statements also provide insights into the nature of territorial attachment to their city. For instance, the archives of local Kayseri newspapers revealed that Mustafa Boydak often gave press releases indicating that he sees social problems such as hunger and poverty as also his problems, and solving these problems is his responsibility.

While employing high volumes of local labor is seen as a product of territorial embeddedness, it also has dark sides. Job creation by local families and entrepreneurs also benefit from low labor costs and employing casual workers. Employers' role in creating jobs also engenders an emotional debt from the perspective of local workers. Workers feel obliged to accept the working conditions provided. Local entrepreneurs benefit from low labor costs and employing casual workers. Low wages and long working hours are not the only forms of repression of the workers. Another form of repression appears during the times of Friday prayers. In Kayseri, weekly prayers are common practices among businessmen, reinforcing ties between workers and employers. The prayer provides a ground for creating informal relations. Conversely, people who do not join in prayers are quickly condemned, even excluded.

In Gaziantep, territorial embeddedness is similar in the sense that local families and family owned SMEs choose to stay and re-invest in their cities rather than searching for alternative geographies for investment. Unlike Kayseri, however, the rising immigrant population in Gaziantep has led some entrepreneurs to invest

in neighboring cities, such as Sanliurfa, Adiyaman and Kahramanmaras, which benefited from state support especially during the 1990s and 2000s through subsidized energy consumption. Tax incentives provided serious incentives for some Antebian entrepreneurs to move some of their production units to these cities. Such relocations, however, constitute a small portion. In the survey conducted, 90% of local entrepreneurs mentioned that their main investments are always in Gaziantep. Fifteen per cent stated that they established joint companies with their neighboring counterparts.

In contrast to Kayseri, attachment to the territory has strong connections to Gaziantep's "veteran city" status. While serving the homeland with strong nationalist feelings and with a national duty is verbalized by 73% of respondents, half of them revealed that serving the city is in modern times (referring to 1990s and 2000s) more urgent than ever because of the increasing Kurdish population. In this sense, territorial attachment to the city represents attachment to the secular nationalism and the Antep defence during the War of Independence is often cited in the interviews as the basis of patriotism.

In Gaziantep, the survey, semi-structured interviews and the findings from the local newspaper archives reflect an interesting aspect of territorial embeddedness. In the survey, 68% of respondents indicated that given the absence of a social and caring state, the attachment of local entrepreneurs to the homeland and the attachment of the local workers to contribute to the city engender a special connection. Respondents claimed that they perceive their presence as the only

source that sustains city livelihoods. Abdulkadir Konukoglu explains his family's role in Gaziantep by stressing that their family name has become almost synonymous with the name of the city - in the last 100 years they have invested considerable earnings back into the city by building factories, schools, and hospitals. For instance, he mentioned that "when we have money, we invest in the city, we love the sounds of the working machines, the factories..."⁹

There are numerous stories in the local news papers referring to the well-known motto of the GSO, which is "Turkey in the World, Gaziantep in Turkey" (GSO Web Site). This motto is one of many examples indicating that local entrepreneurs and workers see the success of the city as the success of the nation and vice versa. In this sense, what makes local economic success, generating economic development and provision of employment is the power of local families, such as the Konukoglu Family. The existence of these families therefore replaces the idea of the state as a social and economic institutional body, establishing a formal relationship with the citizens. The local families are seen as pseudo state. The role of the state in providing employment, social support are provided by local families. Hence, the relation between the local public and the territory is sustained through the power of these families.

While some of these practices are broader, such as distributing food on a regular basis, providing shelter and providing employment, in some instances, the way territorial attachment is sustained involves more specific and more

⁹ INTERVIEW WITH ABDULKADIR KONUKOGLU.

exclusionary arrangements. For instance, in the case of Nakipoglu Family and their Naksan Holding, the CEO, Cahit Nakipoglu, initiated a project which aimed at providing affordable housing to the employees.¹⁰ This arrangement consists of low-interest mortgage loans to the employees with a bank. This could be seen as a particularly strong example, a special bond between the employers and employees in Gaziantep, but it is possible to come across similar reciprocal, “non-economic” arrangements in other family owned enterprises. The commonality is the idea of territorial attachment, both on the side of capitalists and workers.

In Eskisehir, territorial embeddedness emerges through “Eskisehirlilik” (sense of belonging to Eskisehir), as a form of city identity. While it is evident that the existence of a city-identity emerged in the other cities investigated, the major difference of *Eskisehirlilik* is that it is rooted neither in the existence of locally strong families engaging in philanthropy, nor intensive historical events the city experienced which catalyzed strong nationalist discourses. *Eskisehirlilik* refers to city based characteristics or traits or what some interviewees called the DNA of the city. Although DNA might imply certain essential and universal characteristics, this totalistic understanding is not what is meant by the interviewees. Territorial attachment was predominantly vocalized by the “winners” of the city, who have been reaping the benefits of their burgeoning socio-economic status. Interviewees indicated that economically viable entrepreneurs tend to perceive their success as

¹⁰ INTERVIEW WITH CAHIT NAKIPOGLU.

the success of the city, their existence as vital to the city and their activity as essential to the city's dynamism.

In Eskisehir, unlike Kayseri and Gaziantep, locally prominent families are not generally seen as the "state" as a result of their donations, foundations, and creation of employment. Here, although the winners may acknowledge that they need to reciprocate and "pay back" the city because of their opportunities and good fortune, the understanding of *Eskisehirlilik* means that they are to do so by being "good winners," that is by being good citizens, paying taxes, being proud to foster city dynamism, and being supportive of art and other activities in the city. Thus, territorial embeddedness in Eskisehir reflects an indirect relationship between local entrepreneurs and city inhabitants, whereas in Kayseri and Gaziantep, prominent families engender this relationship through everyday life, by providing direct and tangible benefits to the local people. When survey results are analyzed, 70% of respondents indicated that the major determinant of economic success is the amount of tax paid to the government. It is not a coincidence that when top-100 tax payers are announced each year in January, local televisions and newspapers in Eskisehir produce extensive coverage on the leading tax payers.¹¹ Changes in this league from one year to another is another aspect that is investigated.

Unlike in Kayseri and Gaziantep, entrepreneurs are not opposed to investing in neighbouring cities. For instance, the ESO president indicated that "the local industrialists used to consider other neighbouring cities' organized industrial zones

¹¹ Various local newspapers and television channels.

(OIZ), but now everybody wants to stay in Eskisehir OIZ.” Ozaydinli’s claim suggests that local industrialists in Eskisehir are not as strict as their counterparts in Gaziantep and Kayseri, but would consider moving and relocating their activities in accordance to market incentives.

Eskisehir’s understanding of territory and territorial embeddedness differs from the other cities considered because the attachment to the territory is accomplished through better incentives provided by organized industrial zones, municipal administration and chambers of trade and industry.

5.4 Network Embeddedness

“When the city’s interest is at stake, every organization gets together in Eskisehir...municipality, chambers, businesspeople, mayor...when there is some monetary return, everybody is alert, other times, this is not the case...we are not like Kayseri or Konya, their spirit is different, they always act together...”

~ From an interview in the Eskisehir Chamber of Industry.

This type of embeddedness describes networks of both formal and informal actors. Network embeddedness can be regarded as the product of a process of trust-building between network agents, which is important to the creation of stable relationships. Network embeddedness is related to territorial and societal forms of embeddedness. The territorial attachments of the leading entrepreneurs, local capitalists, chambers and municipal leaders help to establish networks, which I call urban growth coalitions. Hence, network embeddedness could be understood as the backbone of the urban growth coalitions. In other words, territorial and societal forms of embeddedness contribute to a communitarian culture and generate the

organizational and institutional capacity required to better compete in international markets.

In this sense, strong societal and territorial forms of embeddedness are necessary to forming a network embeddedness that draws on formal and informal trust mechanisms among its members. In fact, this is exactly the message we can take from the above quotation. For the cities which benefit from strong societal/cultural and territorial forms of embeddedness, networking can be an end result of these relationships and interdependencies. The quote from an ESO official indicated that if communitarian consensus and collective belief is not there to form effective growth strategies, then actors need strong economic incentives to collectivize their interests and resources, which in turn increase the effectiveness of urban growth coalitions. This quote indirectly asserts that religion is a strong glue in other cities that brings different actors together for economic objectives and in the absence of it, it becomes more difficult to sustain the social capital.

Network embeddedness benefits from the informal links, mutual trust and solidaristic relations among members. The source of network embeddedness thus depends on the other forms of embeddedness. Strength of societal embeddedness, as in the case of Kayseri and Gaziantep, well-established local families, and the strong connection between families and between families and workers, are important sources of network building. In Gaziantep, attachment to the city, the social memories of the veteran city - in other words, the territorial embeddedness of actors - is instrumental to collectivizing the interests of the economic actors to

better serve the city, where serving the city is seen as a duty, inherited from ancestors who fought for the soil of Gaziantep. From the perspective of the urban growth coalition in Gaziantep this duty is important to accomplish so that the wealth created is being returned to the Antebians, rather than immigrants.

In Kayseri, conservative outlooks and Islamic identity represent the most important source of networking along with *ev oturmalari* and other cultural practices mentioned earlier. These practices overall set the background for the formation of urban growth coalitions. For instance, the Boydaks often consult with each other, lend and borrow, develop new partnerships and make philanthropic decisions in the company of Ozhaseki who has been mayor of Kayseri Metropolitan Municipality since 1998. It is not coincidental that the Boydak's (and therefore Kayseri's) most distinct economic boom period has taken place under the ongoing Ozhaseki administration. In addition to the joint businesses established between the Boydak family and Ozhaseki, both share a strong adherence to capitalist values. In a press interview, Ozhaseki described that the municipality is like his own "firm". "We administer here as we work in our firms and try to make profit to improve and make new investments." In another interview, he reiterated this mentality: "We govern our municipality as a modern business, thus, as I tried to reduce expenditures stemming from over-employment in my own business, I do not let to over-employment in this municipality. Instead of enlargement in size, I prefer to buy services at auction, which would be less costly" (Aksiyon, 2005).

Ozhaseki's municipal administration is an example of local governments internalizing market based practices and implementing policies through privileging market based interests over societal ones. Two points have to be made at this point: first, privatization of local transport systems, new zoning regulations to implement urban generation projects in certain districts and relocation of certain social groups, provision incentives for the implementation of "income-generating" projects despite their social consequences, reflect the plethora of market based policies implemented in this period. They should not be seen as the product of Ozhaseki period, instead, the networking behind it should be analyzed in detail. Secondly, the urban growth coalition and its network embeddedness also involve forms of socialization, as Gough (2002) indicated. In other words, liberal market oriented policies are accompanied by communitarian efforts to reembed markets.

The Boydaks' influence at the municipal level is obvious. Mustafa Boydak and the Municipal Leader of Kayseri, Mehmet Ozhaseki, share similar socio-political roots and both are close in terms of familial connections. Ozhaseki's two brothers have established joint companies with Boydak Holding, the most famous of which is the Besler Company, which distributes 20% of its profit each year to religious organizations and charities. As explained by Donat, a daily columnist for the Sabah Newspaper, the rationale behind the foundation of the Besler Company (Besler literally means Group of Five) was to assist those who are in need of support. The five shareholders of the company are all leading entrepreneurs or relatives of key people in the city. They call this initiative the "Kayseri Model" (Donat 2008).

Where the relations between the municipality/local government and Kayseri's industrial base are concerned, the role of Kayseri Chamber of Industry,¹² as another key actor, deserves attention.¹³ This organization is a crucial part of the network capacity led by the Boydak family and industrialists of Kayseri. Mustafa Boydak,¹⁴ the CEO of Boydak Holding, has held the position of KAYSO president since 2005. The institutional activities of KAYSO reflect the intensification of assistance to Kayseri's SMEs in orienting their exporting activities. In addition, bilateral agreements with other Chambers of Industry in Europe, Asia and elsewhere reveal that KAYSO plays a key role in bolstering the exporting potential of the city through the pursuit of new partnerships and opportunities.

Although KAYSO is a civil society institution operating under Law No. 2030, its scope of activities and missions reflects the ambitions of the Islamic-conservative

¹² Tradesmen and industrialists operating in Kayseri were united under the framework of the Kayseri Chamber of Trade and Industry until 1966. In 1966, 150 industrialists left the Chamber of Trade and Industry and established the Chamber of Industry. These industrialists believed in the necessity of a separate legal entity for providing institutional support in industrial issues and the associated negotiations. As of the end of 2006, there are 1002 registered members of the Kayseri Chamber of Industry and these members are classified in 26 separate occupational groups.

¹³ While the Boydak family's affinity with Mayor Ozhasaki exhibits a thickening of affairs between the municipality and the family, the support of local governments in Kayseri for industrialization efforts is not a new phenomenon. Local governments have long functioned as forerunners and supporters of industrialization, especially the formation of industrial zones and sites. Osman Kavuncu, a former mayor whose name was given to a prominent street in Kayseri, forced craftsmen and artisans to move from a small industry site in 1950. Subsequent mayor, Mehmet Calik, set land costs in industry sites lower than the actual premium. Similarly, Memduh Buyukkılıç, the mayor of Melikgazi, is also President of the Kayseri Free Zone, indicating that industrial problems are often responded to at the municipal level. The infrastructural costs of the OIZ, for example, have been managed by Kayserian's own money, rather than expecting and waiting for support from the state. Interviews also conveyed that local government and industrialists work collaboratively to prevent debt to the central government.

¹⁴ Along with his presence, the contribution of other Boydak family members in the Chamber of Industry is significant. For the complete organizational structure of KAYSO, please see www.kayso.org.tr

communitarian network pioneered by the Boydaks. For this reason, KAYSO does not operate with an open/voluntary membership system where all entrepreneurs and SME representatives benefit equally from the communitarian efforts centered around the Boydak family. For instance, the SMEs of Alevi (Shi'ite Islamic) and Kurdish entrepreneurs (who are mostly migrants in Kayseri) are largely excluded from the urban growth coalition.

As Mark Granovetter states, “many business groups have some sense of identity based on common social bonds” (2005:433). In Kayseri, Islam is the common social bond that supplies a sense of identity and the leading members of this coalition, KAYSO, Boydak Family and GESIAD gain strength through the networks based on religious values. By utilizing Islam as social capital (trust), shared Islamic values create “a ‘powerful network based upon trust-relations’ among Islamic economic actors” (Keyman and Koyuncu 2005:117). Emin Baki Adas provides additional evidence for Islam as a social capital: due to shared Islamic values and trust stemming from these shared values, the networks and solidarity among Islamic firms are more developed than others. They involve joint-investments, borrowing money from each other and joint-purchase of machinery, industrial inputs and other commodities in order to reduce costs and survive in a highly competitive globalized economy. (Adas 2006: 123). Thus, Islam as common bond functions as the key element “in the intense cooperation among small or medium-sized economic units” (Çemrek 2002:202; Bugra 1999; Önis 1997).

In Gaziantep, the urban growth coalition derives its networking power

through the collaboration and coordination of Abdulkadir Konukoglu, as head of SANKO Holding and head of the GSO Congress, Nejat Kocer as President of the GSO, Mehmet Arslan as the President of Gaziantep Chamber of Industry (GTO) and Asim Guzelbey, municipal leader. Hence the institutional collaboration between the Gaziantep Greater Municipality (local state representation), Gaziantep Chamber of Industry (GSO) as a non-state actor representing interests of local industrialists and GAGIAD¹⁵ and Abdulkadir Konukoglu, the influential local businessman who pioneered the foundation of Gaziantep Economic Development Foundation (GAGEV). GAGEV was founded in the mid-1990s, during Gaziantep's taking-off phase, and played a decisive role in attaining an institutionalized and organized collective capacity. The organization was indicative of territorial embeddedness, as it acquired collective capacity by showing that actors could work together for the sake of making Gaziantep a more competitive city. At the same time, GAGEV has helped to forge the institutional framework required for the urban actors to collaborate in pursuit of their capitalist interests (Ozcan 2000). In this sense, GAGEV has been an important initiative for merging the historically established potential of the city with the interests of contemporary actors and their networks (Ozcan 2000).

Perhaps the most important characteristic of Gaziantep's urban growth coalition is its recognition of the importance of acting together for the city. The

GAGIAD can be seen as a supportive institution to GSO in the sense that GAGIAD has become the place where the leaders of these chambers are educated and prepared for leadership. GAGIAD is another organization through which we have the opportunity to observe how "common reason" articulates itself to the city's institutional fabric. Leyla Neyzi describes a situation called "verbal historical exercises" that specifically target the members of these institutions. The primary motivation is to help members see the future through the lens of their past. GAGIAD members define this process as an orally constructed future.

success of the free trade zone and the industrial zone reflects this sense of cooperation and consensus. While many Anatolian cities lack a collective effort to establish and upgrade and hence the establishment of industrial zones was delayed due to lack of coordinated support, Gaziantep not only built but also expanded its industrial site with local initiatives. These initiatives took place during a period in which the Turkish economy opened its borders to international markets and market oriented policies started to be implemented. Hence, the efforts of local actors to establish and improve new production units indicate their common objective of expanding the market mechanism. While GSO was more influential in the establishment and upgrade of OIZs, GTO was more influential in the establishment of Free Trade Zones in Gaziantep.

Like the territorial embeddedness discussed above, the network embeddedness sustained through the institutionalization of GAGEV reflects certain exclusionary tendencies. The major beneficiary of Gaziantep's globalization experience has been the urban growth coalition established around the GSO, GTO, GAGIAD, Gaziantep Municipality and Abdulkadir Konukoglu (*tesanütçü*). Other economic interests, economic actors with more conservative Islamic backgrounds, benefited from the process, but to a lesser extent. These interests coalesced around the Nakipoglu family. In terms of institutions, the emergence of the Gaziantep Inter Solidarity Young Businesspeople Association (GAPGIAD), Gaziantep Free Industrialists and Businesspeople Association (HURSIAD) and Gaziantep MUSIAD while minor organizations, did collectivize the interests of local religious entrepreneurs. As the existence of these different institutional fractions illustrate,

divergences among conservative religious businesspeople in Gaziantep creates a weaker institutional context. This is in stark contrast to Kayseri, where conservative religious business networks are the dominant mode of institutionalizing forms of embeddedness.

In Eskisehir, network embeddedness attained in the post-1980s era through two key players: (1) Büyükerşen and his municipal vision; and (2) the city's key local industrialists, including the Sarar family, Ozaydinli family, Kanatli Family and Zeytinoglu family. In terms of the former, the city has benefited considerably from the manifestation of social democratic ideals in its urban space. The political tendencies of Mayor Büyükerşen led him to take part in several initiatives that sought to realize social democratic ideals and objectives, including sustaining collaboration between actors and providing the foundations for reorganizing industrial structures in Eskisehir. He has not acted alone in this struggle as many key economic actors have been mobilized under his leadership. In terms of the industrial reorganization, the 1968 separation of the Chambers of Commerce and Industry and the declaration of the "Social Industry Manifesto" [*Topluma Dönük Sanayici Bildirgesi*] have been crucial. Along with members of the Chamber of Commerce and Industry and leading industrialist families, Yılmaz Büyükerşen initiated the dividing of the Chamber into two: the Chamber of Commerce and the Chamber of Industry, to bring further dynamism to the city economy and foster greater professionalization in both chambers.

As Bayirbag (2007) explained in the case of Gaziantep, in which the Chamber

of Commerce and the Chamber of Industry experienced institutional separation in 1987, and as can be seen in the case of Eskisehir, this separation was a crucial milestone that allowed industrial and commercial interests to be defined separately. This was especially crucial for local industrialists who had closer linkages with the state. In contrast, commercial capitalists were less attuned to state interests. Their objective was to increase their national competitiveness because under the import substitution strategy, exporting opportunities were almost non-existent (with the system considerably favouring industrialists). The institutional manifestations of this separation of commercial and industrial interests led to two strong local capitalist formations. While not necessarily in conflict, these formations were in search of different trajectories.

Following the separation, Büyükerşen along with leading economic actors and members of the Chamber like Mümtaz Zeytinoğlu and Orhan Erden initiated the “Social Industry Manifesto” [Topluma Dönük Sanayici Bildirgesi], a guiding document for Eskisehir, which drew the industrial as well as the political-economic path of the city (Taşçı, 2009: 212). The Manifesto touched upon several issues such as a common market with the EU, taxation policies based on social justice, the promotion of industrialization, union rights, and fair income distribution (Taşçı, 2009: 213). According to Büyükerşen, this initiative, which was based on strong social democratic ideals, proposed a socialist approach to existing political and economic dilemmas of the period (Taşçı, 2009: 213). Industrialists in the city, who supported the Manifesto, found themselves at odds with the commercial capitalists, who were contesting the import substituting strategy and the national development

model, and supporting instead an export oriented economic model based on trade liberalization and foreign investment.

From the perspective of commercial capitalists, including the most well known out of Eskisehir, the Sarar Group, the liberalization efforts and policies of the Ozal government and the January 24, 1983 decisions marked a critical cornerstone in Turkish economic life. Commercial capitalists, like Sarar pushed for market centered reforms because, as he argued in the interview, the state had been effective in building a domestic industrial bourgeoisie since the 1970s through the formation of organized industrial zones. As such, the state's industrial strategies were not helpful the commercial capitalists. Therefore, their only viable route was to orient their trade to international markets. Furthermore, the Eskisehir Chamber of Industry (ESO), through the "Social Industry Manifesto," was a strong proponent of a nationally oriented industrial strategy, opposing Turkey's engagement with the European Union and participation in the Custom's Union Agreement.

In Eskisehir, the division of the ESO and ETO, as well as their initially diverging discourses, stands as a stark paradox. Understanding this paradox is important to understanding both the institutional terrain and the networks formed within this terrain. On the one hand, the ESO's attachment to social democratic ideals and desire to implement a nationally administered industrial policy helped it to form a Third Way alternative, which was supported by influential Mayor Buyukersen. This alternative was nevertheless not that different from a form of neoliberalism, which was portrayed via its "inclusive" nature (Porter and Craig 2004) as it incorporates

elements of social liberalism, notably an emphasis on a role for social policy in promoting the development of human capabilities (Mahon 2011).

On the other hand, as the most ardent representative of the commercial capitalists (Head of the Sarar Group) and as president of the ETO, Cemalettin Sarar envisioned a model which privileged integration into global trade flows, a municipal administration that supported the integration of local entrepreneurs and the creation of institutional infrastructure that aided entrepreneurial activity. Nevertheless, the policies advocated by the ETO and ESO appear quite similar.

Under Buyukersen's municipal administration, both the ESO and ETO collaborated with the Municipality and the University on various fronts, promoting market centered policies advocated by both organizations. Under the leadership of Sarar, the ETO laid out a master plan for Eskisehir's economy in the post-2000 period. The preparation of this plan was a result of collaboration between the ETO and ESO though the Eskisehir Municipality was also very supportive. From a broader perspective, this initiative can be seen as a milestone in the implementation of market based policies. The master plan not only prescribed increasing the privatization of municipal services, increasing the provision of auction-based services, and granting more publicly owned land to developers in order to construct additional consumption oriented multipurpose malls, but also, in more general terms, designing strategies for adapting to changing global economic conditions and further implementing the liberalization of the economy.

In a way, ESO and ETO were dissatisfied with the level of openness in the

Turkish economy, and pointed out that the nation-state should be more active in helping them to benefit from the fruits of globalizing economies. Both leaders believed that further liberalization of the economy and sustainable growth would be possible through better incentives and support mechanisms directly formulated in cities. Both the ESO and ETO envisioned two types of state behaviour, one that is more attuned to the urban scale and provides a well-functioning economic incentive schedule and one in which the state would alleviate all impediments to the implementation of a liberal trade system, which would help local capitalists better integrate into the world economy. This latter vision was more ardently advocated by the ETO and its president Cemalettin Sarar.

While the role of the state in the perception of local capitalists is quite apparent, it is important to note that the degree of collectivization among them is less systematic. In the interview with the head of ESO, Ozaydemir, he noted that unlike Kayseri, Konya and Gaziantep, the ability of Eskisehir entrepreneurs to get together and “do something” is low. Perhaps, this statement suggests that the forms of embeddedness hold less power in Eskisehir but networking among the members of the urban growth coalition and its effectiveness is sustained through other factors, such as the role of a mayor, with a strong networking power, and institutionalization of the social democratic ideals.

5.5 Conclusion

This chapter compared societal/cultural, territorial and network embeddedness in Kayseri, Gaziantep and Eskisehir. These different forms of embeddedness are the

key sources of the formation of urban growth coalitions. In all three cities, societal/cultural embeddedness manifested itself mostly through the central role of local families, not only as economic actors as they own the largest economic production complexes, but also as social actors because they are the ones who provide significant resources to the local communities in the form of charity. While Kayseri and Gaziantep were similar in this regard, we saw that the social role of these local families was less visible in Eskisehir. As we have seen, the major commonality was that in all cities, in addition to being key economic and social actors, local families were influential in local politics.

Territorially embedded the key actors primarily stemmed from the attachment of local actors to their cities. The basis of this attachment was the non-substitutability of local relations and connections established in the city. As we have seen, the local actors saw investing in their homeland as a duty, as a pay back. In a way, we considered this as the “caring character” of the local capitalists, which employ local labor, and the local labor was thankful to them reciprocally for the generation of employment for them. Hence, territorial attachment was both on the side of workers and employers. This was most valid for Kayseri, and partially Gaziantep. In Gaziantep, the increasing in-migrants and rising population, and the increasing intensification of Kurdish workers was seen as a threat by the nationalist camps. In Gaziantep, territorial embeddedness was most visible through the attachment to the city with the memories of Antep Defense and the city’s immense victory against the French troops and its critical role in Turkey’s War of Independence in 1917. Hence, territorial embeddedness in Gaziantep was

manifested in the form of “insistently choosing to stay in the home town and conserve this nature of the city”. In Eskisehir, territorial attachment was very much related to the concept of Eskisehirlilik, especially among the capitalists.

As the final form of embeddedness, we saw that network embeddedness could in fact be considered as a continuation of the other two forms. We argued that if strong societal/cultural and territorial forms of embeddedness exist, it was very likely that these connections and interdependencies were transformed into network building. In Kayseri, doubtlessly, Islamic culture was the most effective tool for network building, whereas in Gaziantep, a socio-historical tradition of “*tesanüt*” was a key mechanism and in Eskisehir, the existence of a social democrat ex-university president and mayor and his historical connections and network with the social democrat leading industrialists in the city was the primary source of network building.

The next chapter extends this analysis by investigating the repercussions of the market centered agendas of the embedded urban growth coalitions in each city. In other words, while the overarching objective in this chapter was to set the foundations of urban growth coalitions and expose their motivations of acting together, next chapter will portray the spatial dynamics of acting together through the politics of urban space in the post-1980s.

Chapter Six

Urbanization in the Cities of Anatolia

6.1 Introduction

In this chapter, I look more closely at the changing municipal dynamics and the urban projects that reflect the urban growth coalitions and the representations of the projects. This chapter contributes to the thesis by focusing on the role of municipal politics as greater city municipalities constitute a key institutional domain for the Anatolian urban growth coalitions to sustain their accumulation strategies. The urban growth coalitions influenced municipal governments to attain certain advantages (such as rezoning, privatization or certain services) and used municipal power to market the city, better find international partners and take advantage of EU related opportunities, which were mostly administered through municipal administrations. This chapter builds on chapter 4 and the forms of embeddedness therein. It shows that embeddedness of urban growth coalitions supports urban transformation and influences the way in which urban space is envisioned by urban policy makers.

6.2 Spatial Dynamics in Kayseri

In the case of Kayseri, the urbanization process could be characterized as a shift from the “white city” to the “global city of philanthropists.” The local Islamist

government (the Welfare Party as of 1994) employed the “White City” concept (Dogan, 2007) to refer to its emphasis on eradicating corruption and clientelist practices. This was, in fact, a revanchist project vis-à-vis to the local government that preceded them - the Socialist People’s Party (SHP).

In Kayseri, there are two key periods that will help us to better understand the nature of market based transformation there. They commence with the end of SHP municipal leadership (1989-1994). Under the SHP administration, personnel expenses came to represent a significant burden for the municipality. The SHP administration had also been criticized for its inability to generate growth and foster strategies that would combat the economic crisis. After building an urban coalition with support from the working class and the petit bourgeoisie, the elitist SHP government lost power in 1994 to the Welfare Party (Dogan, 2007). The 1994-1998 Welfare Party period signified a radical break from the past as municipal leader Sukru Karatepe’s revanchist policies mutated into a radical Islamist discourse evident in his speeches and messages¹ (Karatepe, 2003).

The period that began under Karatepe’s leadership in 1994 demonstrated that these Islamic municipal practices favoured export oriented policies and the liberalization of the Turkish economy. For instance, after the commencement of the Islamist administrative body, the municipality started to turn to the market more often to obtain the goods and services required for the implementation of municipal services, rather than producing these with its own personnel and equipment. The

¹ He was imprisoned following the 1997 military intervention.

municipality also retreated from producing certain public services, as was the case with the once municipally-run bread factory, which was closed and transferred to the private sector.

The socio-spatial practices of the Karatepe period were designed around garnering the support of religious/conservative social, economic and political actors. Islamist spatial interventions became more systemic in the Ozhaseki period (from 1998 onwards) (Dogan, 2007). The privatization of municipal services continued at a greater pace especially after 1999. This process entailed a model (popularly known as *yap-islet-devret* - build-operate-transfer). During the Ozhaseki period, the municipality increased its revenues by privatizing publicly owned municipal buses and engaging in intensive construction activities with the intention to build-operate-transfer, with the Chambers of Trade and Industry as key beneficiaries of these construction activities. Municipally-led construction initiatives, such as the Kayseri Exhibition Center and Kayseri World Trade Plaza, were later transferred to the Chamber of Trade and Industry. Although these tendencies were present as well in the Karatepe period, under Ozhaseki they were articulated alongside and in conjunction with more nationalist and conservative views. Two of Karatepe's most prominent urban space interventions clearly reflect the nature of spatial representation as envisioned by the Islamist circles governing the city. The first was the restructuring of the Kayseri Exhibition and Fair Zone and the second, the Republican Square Project (Ozbay, 2009).

In September 1995, the Karatepe administration announced that the area designated for exhibition and fair activities no longer served such purposes, as it had become congested with bars, taverns and other types of clubs (Kayseri 38 Newspaper). The Karatepe administration decided to expropriate 208 units in the region and, despite a promise to establish a functioning exhibition and fair grounds, designated it a green area, and transformed it into a public park with barbeques and picnic areas specifically intended for family gatherings and activities. This decision highlights the municipality's responsiveness to Islamic-conservative cultural values, which emphasize the role of the family. As we have seen in Kayseri, where family-owned businesses were dominant, the strength of these families drove the city-economy. Thus, sustaining family traditions and cohesiveness was one reason for producing more communitarian public spaces as they helped to keep the dominant conservative-Islamic family content. Similarly, the restoration of the Ahi Evran (Dervish) Lodge, contracted out to a private and conservative company, reflected the way in which historical sites have been used to enrich Islamic-conservative socio-spatial practices and the production of space (Kayseri 38 Local Newspaper). These projects engender a specific form of spatial representation, a call to the whole city to unite around Islamic/conservative values through these projects.

The second major spatial intervention implemented by the Karatepe administration was the Republican Square Project (Dogan 2007; Satoglu 2008). The Republican Square has long been debated in Kayseri because it was a product of the early Republican period (1920s) and represented the secular Turkish modernization project and the Kemalist ideals that pushed religion into the private

sphere. Karatepe, a critical opponent of the Kemalist secular nation-state and its administrative cadres, initiated the Republican Square Project, which involved the relocation of the Clock Tower and the Ataturk Monument (Dogan 2007). The transformation of the Square thus reflected a clash between the Kemalist secular representations of urban space that had existed in Kayseri since the 1920s and the opposing spaces of representation of the new Islamic bourgeoisie emerging under neoliberal globalization. As a result of the efforts of the Karatepe administration, some of the buildings associated with the Kemalist modernity paradigm, including the Central Post Office, Tekel Building (state owned alcohol and tobacco production/sales company), Alemdar Cinema Complex and the Republican Library, were expropriated and demolished. In replacing these buildings, the Karatepe administration put considerable emphasis on the restoration of religious establishments such as the Hunat Mosque and the Madrasah, Zeynel Abidin Sepulchre and Burunguz Mosque and its two extended facilities. These developments changed the panorama of the Republican Square as the visibility of religious spaces of representation increased substantially (Dogan 2007).

The urban coalition behind this spatial re-representation benefited tremendously from the presence of prominent families who had established far-reaching charitable organizations. In turn, the (increasing) public visibility of public religious spatial entities has been used effectively in the charity activities organized by these families. During the Karatepe period, with support from local philanthropists, the municipality distributed free bread and food to a population of 1500 to 2000 daily (Dogan 2000). During the winter, such support included coal and

winter clothing. The city's representational spaces thus partly emerged out of the mobilization of religious conservative philanthropists and the poor, who together engendered a local communitarian support scheme. This socio-spatiality involved an urban coalition of local bourgeoisie, the municipality, conservative family owners of SMEs and their collective penetration of the neighbourhood scale to diffuse their ideological orientation and garner support.

This form of communitarianism was quite successful in fostering different social and economic interest groups. Moreover, by avoiding the populist discourses of the pre-1990s and Karatepe period, both the philanthropist tendencies of prominent families and the local bourgeoisie helped to construct strong solidarity networks through charity-based activities that revolved around religious spatial entities and their increasing visibility. Thus, these groups became a part of the dominant regime of accumulation in Kayseri, even though participation meant perpetuating the exploitative nature of the Kayseri miracle. The socio-spatial practices of the city as a space of accumulation highlighted the fact that being a member of the community did not necessarily take the same form or amount of empowerment for all Kayserians. In Kayseri, urban space has been shaped, negotiated and produced by religious groups and networks formed around prominent conservative families in accordance with cultural codes dominated by conservative-Islamist tendencies. This in turn has created socially constructed control mechanisms. In other words, urban space has not been recognized as a space of co-existence of differences – the implementation of market based policies

and top-down societal control through the conservative Islamist practices have become the constitutive elements of Kayseri as an “Anatolian Tiger”.

The urbanization of the city involved other or additional practices under the Ozhaseki administration, which generated considerable revenue for the city. Erciyes Park, for example, highlights that Mount Erciyes, positioned as the emblem of the Municipality of Kayseri, is a very critical spatial motive most Kayserians are proud of and think represents Kayseri’s “highness”, “magnificence” and “closeness” to God. In the Ozhaseki period, there were concerted efforts to marketize Mount Erciyes, despite strong criticism, and the Erciyes Park project is now in the final stage of becoming Turkey’s largest ski/resort complex operated by a company close to Mayor Mehmet Ozhaseki. Erciyes Park is expected to create employment for more than 5000 people and generate 200 million Euros in revenue, according to the Kayseri Municipal Administration. Utilizing the symbol of the city, Mont Erciyes, this project is expected to make Kayseri one of the largest winter tourism centers in Europe. This nicely illustrates how urbanization in the city unfolds and in doing so benefits from the symbols strongly associated with the city (Ekonomist 2009).

Nevertheless, this picture of competition and new technologies does not necessarily translate into a more liveable city, as can be seen from Kayseri’s liveability ranking. Kayseri ranks as the 35th most livable city in Turkey (among 81 cities) according to an index formulated by CNBC-e Business Magazine (2008-2009). These indexes reflect the performance of the city in that specific year by assessing in terms of certain indicators, such as air pollution level, doctor per head, hospital bed

per capita, number of cars per household, electricity usage, employment/unemployment levels, homelessness, criminal records, so and so forth. Each parameter has a certain weight and by adding a variety of different parameters, indexes are calculated. Among various indexes, the CNBC-e one is accepted as the one accompanied with highest number of categories and parameters and accepted as being trustworthy. Along with liveability, separate indexes are constructed for competitiveness and co-existence, albeit with different parameters. Kayseri is the 9th most urbanized city in Turkey and also ranks 9th in economic competitiveness according to competitiveness reports recently published by URAK (2009).

Kayseri's mediocre ranking in the livability index and its relative success among the top-ten most competitive cities in Turkey relates to the complex issue of the co-existence of differences (or lack thereof) and an absence of tolerant urban spaces. This situation can be partly explained by Karatepe's and Ozhaseki's treatment of the city, in line with their market based visions, as a space of profit extraction, thereby approaching the assets of the city as simply commodities with exchange value. As noted above, urban leaders, especially during the Ozhaseki period, not only benefited from the commodification of the city's natural resources, as in the case of Erciyes Park, but visibly commodified public spaces, as in the exchange of the Kayseri Soccer Stadium for a shopping center that serves only a very limited social stratum (Kayseri 38 Local Newspaper).

Other than privileging of financial returns over societal concerns, the already established socio-spatial practices of Kayseri have long been conditioned by the conservative cultural orientation and thus, liveability has always been neglected. For instance, as noted in Chapter Four, “home gatherings” are the most visible and wide spread form of socialization and entertainment in Kayseri. For this reason, one rarely sees an array of cafés, restaurants and other forms of urban life that foster consumption. The dominance of the religious and conservative culture, in regulating daily life and constructing spaces of representation, also curtails the emergence of a vibrant urban space.

Urban space in Kayseri has also become an important vehicle for observing the dissatisfaction of certain groups. While the representational spaces of the newly emerging Islamic bourgeoisie have come to dominate urban space, and the communitarian socio-spatial practices still favour the continuation of the Kayseri miracle, these dynamics have their opponents as the diffusion of different forms of communitarianism reinforces the discontent of certain social groups. The reactionary actions taken by Egitim-Sen, a nationalist labor union in Kayseri reflect this discontent (Kayseri 38 Local Newspaper). Two oppositional activities organized in downtown Kayseri, in front of the Republican Square, suggest that urban space in Kayseri, is also a space of contestation. At the first of these gatherings, both of which took place in 2009, Egitim-Sen representatives began by distributing halva in accordance with the traditions around the souls of the dead (Kayseri 38 Local Newspaper). This time, however, specific remembrance was made for the soul of Adolf Hitler as a way of protesting Israel’s attacks on Palestine. The second

gathering was a nationalistic reaction against the Armenian Prime Minister, who was invited to Kayseri for a soccer game, as a diplomatic maneuver to ameliorate relations between Turkey and Armenia (Kayseri City Portal). These demonstrations suggest a clash between the historically imposed secular/nationalistic representations of space and the spaces of representation as designated by the rising Islamic-Conservative bourgeoisie, in which levels of tolerance, the recognition of differences, and the possibility of co-existence are quite low.

6.3 Spatial Dynamics in Gaziantep

In Gaziantep, urban transformation has had spatial implications that are, to a great extent, related to the issue of migration. As a result of Gaziantep's strategic location in the Southeastern region of Turkey, and its status as the most developed city in the region, Gaziantep stands as the second largest migrant-receiving city in Turkey after Istanbul. Consequently, in explaining the spatial manifestation of communitarianism in Gaziantep, it is important to examine the dynamics of migration. The socio-spatial practices engendering urbanization in Gaziantep are largely shaped by the need to absorb the ongoing flow of migrants, which began at the end of the 1980s. Changes to municipal zoning form a critical turning point, in this respect, as they allowed the municipal administration to launch a series of mass housing projects in collaboration with TOKI, a national institution known as the Prime Ministry Housing Development Administration of Turkey (Sabah Newspaper, 13 October 2006). These projects began to dominate the silhouette of the city in the mid-1990s and helped to establish a new urban growth coalition among municipal leaders, leading

industrialists, especially the Konukoglu Family's Sanko Holding, and the emerging bourgeoisie, who all found opportunities in this new construction sector.

At this time, Gaziantep began to witness a socio-spatial shift resulting from its need to increase labor supply. Its aggressive export strategy was sustained by migrants arriving from the cities of Adiyaman, Hatay and Sanliurfa in the Southeastern region of Turkey, as well as seasonal workers from bordering countries (Arolat and Bozkurt, 2009). In this environment, Gaziantep was a city with a vibrant industrial base linked to the organized industrial zones. While these initial phases of marketization clearly signalled more migration in accordance with the intensification of industrial activities, the way in which urbanization was handled was poorly regulated. Gaziantep's urbanization pattern came to be characterized by illegal housing, spatial irregularities and a distorted, as well as an uncontrolled, expansion of the city. This era of urbanization corresponds to the municipal administration of Celal Dogan. Similar to the SHP era in Kayseri, the formal working class was one of the better-off segments of society (c.f. Pamuk, 2008).

Celal Dogan's fifteen year municipal leadership included three election victories. In 1989 and 1994, Dogan won the local elections as a representative of the SHP. His 1999 victory was as a representative of the Republican People's Party (CHP), the party founded by Kemal Ataturk, representing the Kemalist secularist position in the Turkish political spectrum. Celal Dogan was a controversial figure in the CHP since most secular elites criticized him as too populist (Bayirbag 2007). Although his left orientation was much appreciated by the Antebians, his populist

policies were generally contested, especially by his successor Asim Guzelbey. The major criticism stemmed from the substantial municipal debt incurred during his three terms in office. By the time he left office in 2004, municipal debt amounted to \$11 billion (c.f. Pamuk, 2008).

Under Dogan's administration, 1989-2004, the city experienced a significant economic boom and the limits of the city expanded considerably. As municipal leader of the Republican People's Party (CHP), Celal Dogan undertook 272 urban projects, most of which involved parks as well as infrastructure investments, which became a necessity given the radical change in 1996 to municipal zoning to allow for new spaces of illegal housing for migrants. Dogan's perspective was that changing land-use plans was an option.² In this sense the Dogan administration initiated projects that target integrating the Kurdish population in urban space and in order to better channel their labor into the rising industrial capacity of the city. Among the 272 projects, almost 100 of them contributed to the infrastructure³, which was pivotal in expanding the urban boundaries and "connecting" new illegal spaces to the city. That is because these new settlements were far from the OIZs and other production units, road construction and improvement of certain trestlework were needed to transport these newcomers to their workplaces (Bedirhanoglu and Yalman, 2009).

² Archival research on various local newspapers.

³ Gaziantep Metropolitan Municipality web site, <http://www.gaziantep-bld.gov.tr/>

Again, the Dogan administration believed that creating public spaces would be a crucial step for the purpose of integration. Hence, the Dogan administration undertook a series of urban projects for the construction of parks,⁴ and among these, a specific project brought significant public attention. In 2002, the Dogan administration started a project which focused on the 100th Year Ataturk Park (Gaziantep City Portal). In fact, it was originally initiated during the 1970s by the mayor Omer Koyluoglu prior to the election and he saw this project as an important election investment. In late 2001 and 2002, the Dogan administration started the renovation project for this park, but simultaneously changed the name of the park to Park Antep. As the park area was close to neighbourhoods which were densely populated with the Kurdish immigrants, the dropping of the “gazi” (veteran) title in the park was perceived as an insult and initiated a debate in the local media (Gaziantep 27 Local Newspaper).

Thus, as a city receiving considerable migration, socio-spatial practices in Gaziantep were conditioned firstly by the increasing production capacity of the OIZs, and secondly by the intensification of illegal housing and a distorted urbanization pattern. The city lacked a sustainable urban plan, an oversight that conveniently satisfied the vast and immediate need for labor, especially cheap labor, from the neighbouring cities in the form of seasonal and temporary workers (Bedirhanoglu and Yalman, 2009).

⁴ Archival research on various local newspapers.

The Guzelbey period, corresponding to the end of the secular CHP period under Celal Dogan and the beginning of the moderate Islamist Justice and Development Party (AKP) in 2004, can be seen as the second phase of urbanization in Gaziantep. In this period, the rising local bourgeoisie were mobilized around the urban growth coalition led by SANKO Holding (the largest conglomerate owned by Abdulkadir Konukoglu), the municipal administration led by Asim Guzelbey, and the influential president of the GSO, Nejat Kocer. As a key organizer of industrial interests in Gaziantep, this coalition did not, as in Kayseri, struggle to resist already established Kemalist secularist representations in the city. Rather, the central question was how to make Gaziantep more competitive in an era of neoliberal globalization. Common reason, as detailed in the Chapter Four, reflects the vision of the urban growth coalition. These spaces, then, involved the further marketization of local social, cultural and historical assets, cooperating with TOKI to solve the illegal housing problem and additional investments in the construction sector to absorb any additional labor flowing into the city. Nationally governed, TOKI has commenced several mass housing projects in collaboration with the local municipal government. In understanding the local impacts of TOKI, the Sahinbey Municipality of Gaziantep constitutes a striking case.

Sahinbey Municipality⁵ and its Mayor Omer Can (from the AKP) is openly critical of the area's populist policies. It is striking that, despite the intensive efforts of the Guzelbey administration to use market mechanisms and target middle class participation in mass housing projects, 75% of the Sahinbey municipal zone still

⁵ The most densely populated municipality of Gaziantep with a population of 700,000.

consists of illegal housing units (Gaziantep 27 Local Newspaper, 10 April 2009). From the worker's point of view, participating in such projects (often 20 or 30 year agreements) with the local municipality and TOKI is often not presented as a choice. Non-compliance most of the time means being deprived of the illegal housing unit and so many workers have criticized the Guzelbey administration for being far too coercive.⁶ From the point of view of decision makers in Gaziantep, illegal housing and the existence of migrants in the city-center not only confirms the distorted urbanization patterns of earlier years, but is considered a "threat" to social integration and the marketability of the city. In the words of Omer Can, these houses and their inhabitants "mask" the success stories in Gaziantep (Gaziantep 27 Local Newspaper, 5 September 2008)

The urban transformation in Gaziantep is considered a capitalist as well as a communitarian story. As noted above, the communitarian side, much as in Kayseri, reflected the existence of a communitarian driving force behind the economic dynamism. The Guzelbey era witnessed more systematic attempts to institutionalize market centered policies, again often by benefiting from the workers who were the real, but "invisible," architects of the Gaziantep miracle. For instance, the Guzelbey administration sought to provide housing to newcomers through institutionalized forms such as providing favourable mortgaging options, unlike Dogan administration which aimed to solve the accommodation issue by opening up of

⁶ Even though many pro-Guzelbey local media organizations portray these housing projects as "urban transformation projects with a 'baklava (Turkish Delight)' taste", many workers were suspicious about the mortgage options provided by the Guzelbey Administration and companies which work in tandem, such as the Naksan Holding.

new lands and turning a blind eye to the squatters. Furthermore, in the Guzelbey era, the limits of the free market economy reached better utilizing from the commodification of Gaziantep's historical architecture in the form of increasing sites for tourism. The Zeugma Project and the renovation of old Ottoman houses, turning them into hostels, are the most visible forms of these commodifications (Garanti Kent Sohbetleri, 2007). Furthermore, compared to the Dogan era, Guzelbey era also systematically focused on projects to marketize the city in the form of brand marketing. Trademark City Gaziantep and Innovation Valley were two leading examples of internalizing market mechanisms.

There are some exceptions in Gaziantep to workers being left solely at the mercy of the market. Similar to Kayseri, prominent families, like the Nakipoglu family, provide a variety of charitable services. Although the scope of these activities does not match those in Kayseri, the Nakipoglu family's traditional charitable activities, as well as other creative ways of supporting workers, should be noted. Furthermore, the Nakipoglu family, owners of Naksan Holding, commenced a pilot project in 2005, which is now considered a model for other companies. Naksan Plastics, as one of the companies of Naksan Holding, launched an initiative to make their workers homeowners. Osman Nakipoglu, President of the Holding negotiated with TOKI for almost three years to reach a special deal⁷ (Sabah Newspaper, 19

⁷ The deal with TOKI involved favorable conditions for the workers – in addition to lower down payments and better interest rates, the agreement specified that 60% of the monthly payments were to be made by Naksan Plastics and only 40% was to be paid by the worker. Four hundred and fifty workers benefited from this project and its 10-year mortgage agreement. Although Naksan Holding worked as a buffer between TOKI, the Guzelbey Municipality and other neoliberal interests to negotiate the deal, this communitarian project had its detractors.

January 2008). The Nakipoglu family is pious and most of the workers who benefited had to be considered “pious” enough to receive support. This project and its dynamics offer crucial insights into the overlap between expansion of capitalist markets and communitarianism, and how this uneasy combination wields its own forms of exclusion.

Despite the modifications to the urban development projects, Gaziantep has been experiencing the negative repercussions of the irresponsible urbanization patterns of the Dogan era. Therefore, despite its economic dynamism, the city still suffers from a mediocre position on liveability indexes. In the CNBC-e Business magazine indexes published in 2008 and 2009, Gaziantep ranks 40th in terms of liveability among Turkey’s 81 cities. The relatively high level of unemployment, 16.4% (vs 10% in Kayseri and 8.6% in Eskisehir), deteriorating air quality, problems in the education system (including a teacher to student ratio of 1:42 vs Turkish average of 1:30) and a relatively low literacy level at 83%, are some of the most visible causes of Gaziantep’s second-rate ranking.

Unlike Kayseri and Eskisehir, Gaziantep’s spatial practices have been influenced more intensively by Europeanization. The EU’s role in the transformation of urban space has been institutionalized through the EKOSEP project (Economic and Social Integration Project) in place in four in-migrant cities in the Southeastern region of Turkey – Gaziantep, Erzurum, Sanliurfa and Diyarbakir. This EU-funded initiative targets migrant populations in these cities and aims to mitigate the adverse effects of migration (EKOSEP Web Site). Many of the projects implemented

in Gaziantep involve the establishment of youth and family centers in at-risk neighbourhoods and centers that provide psychological support to the children of migrant families in need of help. It is important to mention that while the majority of financial support for EKOSEP comes from the EU office in Gaziantep, several local families also provide funding.

The construction of the Akinal Children and Youth Center, for instance, was financed partially by the Akinal family. Similarly, Hakan Ozcan and Munir Onat have provided financial aid to EKOSEP and the two youth centers that carry their names. It should also be noted that while EKOSEP's emphasis on migrant youth is a positive development, its impacts have been quite limited in sustaining urban social justice. From a critical perspective, these community-based projects may be trying to fill the absence of the widespread Islamic social solidarity networks that we see in Kayseri, which represented a form of communitarianism imbued with Islamic conservative values.

Like EKOSEP, the EU Information Office and ABIGEM (European Union Business Development Center) in Gaziantep launched a project aimed at sustaining social integration and emphasizing social inclusion. Since 2002, ABIGEM and the EU Information Office, in collaboration with KAGIDER (a national association of women entrepreneurs), have been providing micro-credit grants to female entrepreneurs through a project that itself involves a spatial dimension – the regeneration of the Hanimeli Bazaar region, once a vibrant center of commerce. Currently, the Hanimeli Bazaar region hosts eleven female entrepreneurs who have established their own

businesses through the micro-credit scheme. In addition to its established businesses, the Hanimeli Bazaar has become a critical urban center for women entrepreneurs – almost 380 women have benefited from its consultation services and almost 480 have completed a certificate program in setting up a small business. As the title of the project, “I Have my Own Business – Kendi Isimi Kuruyorum”, suggests, the primary motivation of this project has been to use the market as a form of mediation (EKOSEP Web Site).

Both the Hanimeli Bazaar initiative and the EKOSEP Project strive to establish social cohesion by activating communitarian bonds and strengthening social institutions such as the family. Given the neoliberal vision embraced by the Guzelbey administration and other urban decision makers, the nature of communitarianism in Gaziantep has involved asymmetries similar to those in Kayseri. In Gaziantep, however, there has not been a domination of spaces of representation by the rising Islamic Conservative bourgeoisie. Instead, the cosmopolitan and secular elite majority have collectivized their interests around market centered advancements. The city’s dynamics have been communitarian in that the Gaziantep miracle rested on a local community making a collective effort to exhibit high quality organizational forms and projects including the OIZs, Trade Mark City Gaziantep, Innovation Valley, and Zeugma. At the same time these and other components of the communitarian spirit in Gaziantep have involved the exploitation of labor including wide-spread use of uninsured, undocumented labor. Although the role of Islam has been minimal, except in the case of the Nakipoglu

family, spaces of representation also have devised new forms of inclusion for migrants in the city, including the mass housing and EKOSEP projects.

6.4 Spatial Dynamics in Eskisehir

Eskisehir's encounter with the increasing domination of market based reforms, can best be studied in three periods. The initial phase of this period is the crisis-ridden years of the 1980s, the second phase, from 1989 to 1999, can be considered the adaptation phase, and the final stage, in the post-1999 era governed by Social Democrat Yilmaz Buyukersen, can be seen as the phase when market centered policies were systematically implemented. Like Kayseri and Gaziantep, this periodization reflects the changing nature and intensity of reproduction of the urban space in line with market oriented principles.

The 1999 local election victory of Yilmaz Buyukersen of the Democratic Leftist Party (DSP) can be seen as a critical turning point for Eskisehir opening the way for the striking transformation of urban space in Eskisehir. This represents a radical divergence from the scenarios in Kayseri and Gaziantep, as urbanization in Eskisehir meant not only increasing economic dynamism, but policies that helped to make Eskisehir the second most liveable city in Turkey after Ankara, according to the CNBC-e Magazine index (2009). This suggests that Eskisehir's economic success has been accompanied by good urban policies which balanced the will to sustain competitiveness with the production of liveable urban spaces. It should be noted

that Eskisehir's success in achieving economic dynamism and liveability indexes is neither an outcome of only articulating to global markets, impacts of the Europeanization process, nor implementation of market oriented policies. Instead, the urban growth coalition pioneered by the Mayor Buyukersen and his effective policies, paved the way to achieve these success stories. After highlighting the cornerstones of the secular urbanization pathways in play in Eskisehir since 1920s, this analysis will focus on how Eskisehir's third phase of urbanization in Eskisehir not only made economic success a reality, but also engendered a negotiation between competitiveness, liveability and co-existence different from that in Kayseri and Gaziantep.

Eskisehir's spectacular economic growth began in the late 1990s and was accompanied by an increasingly vibrant and tolerant urban environment, fuelled by a high societal demand for arts shows, theatres, cultural activities and a night life that meets or even exceeds the standards of metropolitan centers such as Istanbul. Thus, in Eskisehir, the question at hand remains, how did the Buyukersen era result in a dynamic, European-looking, secular city based around social democratic ideals after such intensely crisis ridden years?

Eskisehir, with its well-established representations of urban space experienced a period of turbulence in the 1980s, as the city of secular modernity lost its earlier source of dynamism, public investments. After a period of adaptation (1989-1999), spatial transformations in Eskisehir reached a new stage initiated by an urban growth coalition, led by the former President of the Open University of

Anatolia, Mayor Yilmaz Buyukersen (Tasci, 2009). Buyukersen and leading entrepreneurs in Eskisehir, including the Zeytinoglu family, the Kanatli family, the Sarar family, and the Kilicoglu family, were critical actors in this new phase. The spaces of representation of this communitarian effort did not radically contest already established representations of space, but aimed to articulate a European-looking, tolerant, liveable, and secular urban space.

As we have seen, unlike Kayseri, Islamic conservatism is minimal in Eskisehir. Sectarian establishments and Islamic networks or interest representation organizations like MUSIAD do not exert significant influence on urban politics. In order to better understand the new spaces of representation under Buyukersen's influence, we first need to review the periods preceding 1999.

Eskisehir is commonly considered one of the most favoured cities in the New Turkish Republic. State investments have long been significant to the area and state led economic development persisted as the major determinant of economic dynamism into the 1970s. As an industrial center of Turkey in the 1920s and 1930s, Eskisehir received considerable state investments, including the plane factory (1936), a sugar factory (1933), and a cement factory (1931), in addition to increases in the capacity of heavy industry through the CER Atelier, which later became the basis for locomotive and motor factories (Tasci, 2009). These developments are crucial to understand how secular representations of urban space were constructed in the early Republican years. As Tasci indicated, industrialization meant "welfare, a

new life style, pride, as well as a form of social discipline” sought by the Kemalist cradles for the sake of a secular modernization path (2009: 452).

Intensive state involvement in Eskisehir not only helped establish industrial production capacity, but also set the foundation for secular socio-spatial dynamics in the early Republican years. As a medium size Anatolian town located between Ankara and Istanbul, Eskisehir began to experience strong urban expansion as thousands of workers flowed into its factories in the early morning and late afternoon. These spatial units changed Eskisehir’s urban fabric radically and brought new socio-spatial practices to the Anatolian town. The factories had their own residential units, the *lojmans* (quarters in Turkish). These new socio-spatial practices also brought about new perceptions of urban space, as engineers, architects, administrators, and their families (the upper-middle classes) expanded their consumption patterns, and urban space came to increasingly revolve around their needs – sports facilities, tennis courts, theatres, dance floors, and orchestras. The middle class was the end product of as well as the institutor of Kemalist secular modernization, with its fashion preferences and consumption patterns becoming a model for secular transformation (Tasci, 2009).

As secular representations of urban space emerged as a national project in Eskisehir, and the secular bourgeoisie became the primary driver of this process, private sector investments lagged behind, especially when in comparison to Kayseri and Gaziantep. In fact Eskisehir’s socio-spatial dynamics fell into a deep crisis in the 1970s because of the oil crises and the disappearance of state investments as a

result of the neoliberal reforms instituted by the national state, and Turkey's shift from an import substituting strategy to an export oriented one. Unlike Kayseri and Gaziantep, historically high levels of public investments in Eskisehir created a socio-economic structure dominated by the public sector.

In the 1980s, Eskisehir experienced the effects of a retreating nation state, which in turn meant reductions in public investments. This situation threatened already established representations of urban space, which were also dependent on state investment. For this reason, the 1980s in Eskisehir are characterized as the years of crisis, during which the city moved towards populist center-right parties promising considerable subsidies, especially to the agricultural sector. In other words, Eskisehir was initially worse-off because of the shrinking state support (Various ESO Publications 2008). Given their primary focus on the domestic market, state enterprises in Eskisehir were losing their foothold because of the shrinking domestic market. The lack of a vibrant entrepreneurial culture was also coming to be seen as problematic. The 1989-1999 period emerged as a critical transition period for Eskisehir. This phase, as in the case of Gaziantep and Kayseri, can be considered Eskisehir's initial phase of market based urban policies.

Changes during the Sezai Aksoy (the 1984-1989) municipal government on urban space were largely influenced by the traumatic coup d'état (1980-1983). Given the political paralysis, there was no radical transformation of Eskisehir's urban space during this period. Minor improvements included infrastructural ameliorations to the sewerage systems and water purification plants and the

preparation of the city's land use plan (Master Plan) (Eskisehir City Portal). The land use plan was critical since it allowed urban leaders to pursue more sustainable urban policies without engaging in conflicts over the preparation of the plans. While in Gaziantep, the land use plan was arrived at through a rather conflictual process in the late 1990s, in Eskisehir, planning coincided with the apolitical post-coup d'état period and so escaped the pressures of divergent interest groups.

The second phase began with the municipal governance of Selami Vardar (1989-1994) from the republican secularist CHP. This phase saw continued infrastructural developments, such as the construction of a multi-faceted bus terminal, and increases to the capacity of water purification plants, as well as projects which reflected the increasingly export-oriented nature of the national economy, such as the construction of the Tasbasi Trade and Cultural Center (Tasci, 2009). Building the municipal framework for the implementation of strategies that employ market based policies in this era such as the upgrading and regeneration of certain large and degraded streets such as Muammer Aksoy Street, which in turn increased the dynamism of nearby districts. The first mass housing project with 96,000 units and the distribution of 75,000 title deeds were other crucial developments.

Eskisehir's recovery from the crisis-ridden years began under the Aydin Arat government (1994-1999). This period of adaptation exhibited a continuation of urban forms that strengthened the infrastructural capacity of the city and formed the basis for a "planned" urban space conducive to policies that foster growth.

During this period, most projects were again infrastructure oriented and many, such as the shift to natural gas and the elimination of air pollution, were quite important to future phases and developments. The health of Eskisehir's environment is now considered one of the most crucial parameters of its high ranking on the liveability index. The regeneration of certain neighbourhoods and streets continued with Hamit Dedelek and Ulus Boulevards. These re-openings were important as these streets provided primary connections to the downtown area and the reactivation of them meant more dynamism in the downtown district. Urban regeneration initiatives also encompassed the Kurtulus Bazaar Area, which helped increase commercial activities for local producers and consumers. The Arat period also witnessed medium scale communitarian efforts including the reactivation of the Halk Ekmek (Subsidized Public Bread) Factory in Sultandere and the establishment of a public food court to serve the poorer segments of society. Arat also started a project designed to clean the Porsuk River, which was used as popular urban imagery by Buyukersen and as the showcase of his urbanization path (Sonhaber Newspaper, March 2008).

The Porsuk River project constituted the central element of the urban transformation pioneered by Buyukersen and his supporters. After 2004, the Porsuk River became the cornerstone of Eskisehir's urban image as a commodified natural resource creating economic dynamism through the clustering of a rich consumption culture via cafes, restaurants, and nightclubs along the river's edge. It also became the hub of a burgeoning service sector that benefited from new urban forms such as the intersection of bridges on the Porsuk River that now hosts a number of banks,

financial institutions and insurance companies. The Porsuk River regeneration project in fact shows how the individual efforts of Mayor Buyukersen were vital to the city.⁸ His desire to transform Porsuk River, along the lines of Strasbourg River, resulted in a well-prepared project with a strong feasibility report that garnered funding from the European Investment Bank (EIB) and ABN Ambro⁹ (Tasci, 2009).

The Porsuk River project, as the spatial representation of the new dominant class, shaped the third phase of urbanization, the Yilmaz Buyukersen era, which started in 1999. As in Kayseri and Gaziantep, this era witnessed the launching of a systematic approach to market centered urbanization initiated by a social democrat Mayor. Unlike Kayseri however, Eskisehir did not experience a real clash between secular representations of space and the emerging spaces of representation in the initial phase (Tasci, 2009). Eskisehir also did not experience, as Gaziantep did, a period of expansion of migration resulting in distorted urbanization patterns, excessive illegal housing and integration problems. Instead beginning in 1984, Eskisehir had experienced the gradual planning of urban space, followed by an articulation of spaces of representation as mobilized by social democrats, which paved the way for a clean, well-organized, and liveable city with an urban culture that was characterized by non-conservative forms. Similar to the post-War Swedish

⁸ The birth of the Porsuk River project dates back to 2005, at which time Buyukersen attended a meeting in Strasbourg as the Head of the Turkish Delegation to the European Commission's Local Governments. He realized that similar to Eskisehir, there is a river crossing the city of Strasbourg. He later starts communication with the Municipality of Strasbourg and urban planners and engineers from Eskisehir Greater Municipality engage in a process of technical learning. Thus, the Porsuk River project was formulated and implemented along the lines of the one Strasbourg.

⁹ At a time when Turkey's national credit rating was quite embarrassing, Buyukersen's struggle to finance the project was exceptional and reflected his vision and the neoliberal mindset of regulating urban space not through planning, but through projects that have financial returns.

social democrats who strongly supported capitalist growth and pursued social democratic social policies, in Eskisehir, Mayor Buyukersen and his social democrat stance, pursued socially inclusive policies that mediated the tensions between society and markets. In this sense, along with sustaining a competitive economy, social democratic interventions to the urban space engendered a city, unlike Kayseri and Gaziantep, in which diversity and co-existence became possible. To better understand how the overlap between capitalist reproduction of urban spaces and maintaining a social democratic agenda was managed, some concrete examples are needed.

The well-planned nature of Eskisehir's urbanization contributed significantly to the implementation of urban policies that not only generated revenue, but also helped to build a vibrant urban space that attracted migrants from neighbouring cities, such as Kutahya, Inegol and Bolu. Unlike Gaziantep, the impacts of migration have not been detrimental as migration intensified after the city had already established its development plan although it should be noted that the level of migration has been much lower than in Gaziantep. Recognizing the importance of migration, left wing urban leaders and industrialists in Eskisehir have adopted a positive pro-migration attitude. As Buyukersen noted, "...receiving migration, urbanizing the migrants is necessary for the city, the city needs differences, variations, it needs people from different roots, ethnicities and the urban space will be the place of confrontation, place of interaction..." in-migrants in Gaziantep were mostly unskilled workers from the Southeastern region of Turkey, Kurdish groups who have been left out of the formal markets (Tasci, 2009: 152). In Eskisehir, the

city's legacy as a city of public investments, the already high level of public employees and the official working class, combined with relatively better living conditions compared to the rest of Anatolia, made the city a space of attraction for qualified skilled laborers. In this sense, societal integration was less of a problem in Eskisehir. From Buyukersen's perspective, migration could be seen as vital to the city and is a driver of development (Sabah Newspaper, 29 May 2009).

Harnessing this dynamism, a series of urban development projects have been implemented by Mayor Buyukersen and his supporters, which has not only suffused the city with a European image, but also brought financial returns. In Eskisehir, unlike in Kayseri and Gaziantep, these projects were not only successful in marketing the city to potential tourists and migrants, but also functioned to create a liveable urban space that supported the coexistence of difference. These projects included the ESTRAM (light metro operating in the city which eliminated traffic problems), environmentally friendly park projects (which intensified green areas), the regeneration of Odunpazari district with its historically rich houses, emphasizing the gentrification of old buildings used for storage and turning them into youth centers, building a special lane for hansoms, establishing sight seeing cruises along the Porsuk River, investing in various museums on the history of Eskisehir, and building modern facilities for the symphony orchestra, theatrical activities and city opera. There has also been an emphasis on disabled transportation systems and preparing land use accordingly, the provision of municipal transportation for the hearing impaired, and special services for dialysis patients.

All of the above-mentioned Buyukersen Municipal Administration projects provide insight into the nature and variety of communitarianism in Eskisehir. In fact, the communitarian dimension in Eskisehir has already been present in many forms. One of these, the provision of public goods through publicly owned and subsidized production facilities, enhanced the connection between urban dwellers and their city. A strong state-led economy has prevented sectarian establishments or religious groups/networks from taking the place of the state, as has been the case in Kayseri. In Eskisehir, the involvement of the state via state economic enterprises and public investments, the presence of leftist leaders, an emphasis on the planned nature of urbanization, and the provision of infrastructural services in a more systematic way, has, unlike in many other Anatolian cities, helped to establish a sense of community and a socio-spatial dialectic devoid of clashes between the established representations of urban space and the spaces of representation which have been under the hegemony of the markets.

Buyukersen's pragmatic approach to community brought the concept of "social municipalisation", inspired by the Third Way experience in Britain, to Eskisehir. This concept reflected the continuing sensitivity of the ruling elites to issues of social justice. The municipality's leading initiatives in this era endeavoured to provide training to individuals in need of work, and foster community development strategies with community-based solutions such as the "Women's Consulting and Solidarity Center" which provides financial as well as psychological assistance to women.

6.3 Conclusion

This chapter showed that each of the three cities had different patterns of market based capitalist urbanization. By looking more closely at the municipal politics and the changing urban policies under different administrations, this chapter aimed to capture how the urbanization processes in the cities of Anatolia were related to the embeddedness of the growth coalitions. Urban transformations of the post-1980s period were indicative of Islamic identities, conservative tendencies, territorial attachments and political inclinations in the cities of Anatolia. In making claims for alternative modernities through primarily the increasing economic status, the cities of Anatolia experienced urban transformation patterns that not only displayed ascendancy of the hegemony of the market mechanism, but also considerably conditioned by local cultural factors. Finally, this chapter revealed that the processes of urbanization administered by municipal leaders and the urban growth coalitions produced significant societal reactions. In Kayseri, the increasing visibility of religion and conservative motifs in the urban scene triggered ultra-nationalist segments to become more vocal as the examples indicated. In Gaziantep, the increasing ethnic population was not welcomed by secular nationalist segments in the city, who perceived increasing Kurdish population as a threat to the proud history of the "Antep Defence". Not surprisingly, urban policies that were undertaken by policy makers used spatial strategies to exclude the ethnic populations from the downtown areas. In Eskisehir, only minor labor union protests were visible. Overall, varieties of communitarianism in the cities of Anatolia were

also responsible from varieties of urbanization patterns and embeddedness of urban growth coalitions meant different urban fortunes for different cities.

Chapter Seven

Conclusion

This dissertation has examined the underpinnings of the economic success of three Anatolian Tigers in an era of neoliberal globalization. It argued that these city-based economic success stories need to be understood in terms of the way they have drawn on and developed different forms of communitarianism to embed their growth projects. This study aimed to contribute to debates on the success stories of the Anatolian Tigers by offering a new conceptual tool: varieties of communitarianism.

In the body of literature explaining the success of the Anatolian Tigers, two perspectives stand out. The first set of studies sees the rise of the rapidly growing and industrializing cities as an outcome of post-Fordism or the “strategic fit” between traditional structures and new global conditions. This strategic fit refers to the advantageous position of local Anatolian firms, mostly in the form of SMEs, that were able to respond quickly and flexibly as market conditions changed. The second set of studies has concentrated on the rise of Islam as a crucial identity claim that had been repressed by the secular elite until the 1980s. According to this line of thinking, the liberalization of Turkish economics, politics and culture is seen as the basis for emerging identity claims, of which Islam has been the most influential. Anatolian Tiger success stories are thus associated with the rise of Islamic capital,

Green Capital (referring to Islam), Islamic entrepreneurship, and Islamic Calvinism. This approach contends that in cities of Anatolia, pious entrepreneurs and capitalists have been able to succeed by using their Islamic networks which fulfilled the role of social capital among entrepreneurs. This helped them to coordinate and cooperate more effectively in the market, which in turn helped them secure competitive advantage.

This dissertation has contributed to these debates by showing that analyses of the success of Anatolian cities must take both external and internal factors into account. In terms of external opportunities, I have identified the processes of globalization and Europeanization as providing, among other things, new export markets. Urban growth coalitions have taken advantage of these new arrangements through chambers of commerce and industry, which in turn have participated in sister city programs, and tapped into resources and logistical support provided by local branches of European Union institutions. In particular, I have focused on the role of the urban growth coalitions, assessing the variations between different coalitions and their institutional/organizational strategies in different cities. Through urban growth coalitions, entrepreneurs were able to keep up with sector-specific technological enhancements, increase financing options by accessing international markets, and build networks and project-based partnerships with international capital. Globalization and Europeanization have thus had a transformative impact on urban spaces, broadened the visions of local actors and helped them to reach regional, international, supra-national and global scales. In terms of internal mechanisms or forces, I have looked at the different socio-

economic and cultural bases of the three Anatolian Tigers all of which have also benefited in some way from the advantages and prosperity initiated by the external factors. While there are important differences in the three cities' urban growth coalitions, all represent forms of communitarianism. This concept provided an analytical opening for understanding how urban growth coalitions leveraged communitarian efforts to make the city more competitive and at the same time to embed their urban growth projects in the local communitarian contexts.

In this dissertation, I benefited from the concept of communitarianism in two ways which also inform us about the broader implications of the dissertation. First of all, I operationalized this term concept so that embedding markets and embedding growth oriented projects into society and culture inform us about the role of embeddedness not as a methodological lens, but also as a strategy. Different forms of embeddedness studied pointed out that they constitute different strategies to articulate markets and communitarian mind sets. Embeddedness as a strategy also led to the second aspect, which showed that communitarianism and embeddedness as strategies were also responses to the processes of globalization. It is, however, critically important to note that, although communitarianism and embeddedness were local in nature, they were strategic responses to the processes of globalization, and their local nature exceeded the limits of their locality.

In the cases of Anatolian Tigers, embedded nature of major economic actors acquires organizational capacity through urbanization. Increasing levels of urbanization in the cities of Anatolia engendered new opportunities for the local

economic actors especially through the increasing vibrancy of the city economy. Increasing urbanization operated as a leverage mechanism in the sense that growing city economies through urban transformation increased the potential for exports, investing more on the urban economy and rising opportunities through the appearance of external forces. In this sense, the experiences of Anatolian Tigers speak to the other cases of local development stories in the other parts of the world, especially in the developing country contexts. They reveal that globalization through urbanization is a path that would engender new dynamics for the cities. These dynamics would entail the emergence of urban growth coalitions and the utilization from embedded markets to mediate the processes of articulating global and local.

I have argued that in interpreting the variegated institutional strategies of urban growth coalitions in Anatolian cities, we have to recognize societal, territorial and network types of embeddedness. As Chapter 5 highlights, these forms of embeddedness co-exist in cities to different degrees. I have showed that forms of embeddedness are interconnected and interdependent in the urban space. For instance, well-established and historically strong families, their economic establishments in the form of holding companies and their philanthropic activities, were common to all three cities. These families marked the presence of societal/cultural embeddedness, in the sense that they held a central position historically, which gave them a powerful voice in determining contemporary local dynamics. Strong interdependency among families and the relative power of some families over others was a critical factor behind the networking capacity of local actors. As members rooted in their respective communities, their economic actions

and strategies were not independent of their social and cultural base. Joint companies established among different families, and the exchange of workers and technology between the companies of close families were common practices. Societal/cultural embeddedness was thus a source of networking among local businesspeople and industrialists, as family connections guided economic relations. Religion, especially in Kayseri, and partially in Gaziantep, was also instrumental in building networks among businesspeople, industrialists, municipal leaders and, more generally, members of the urban growth coalition.

The local context provided numerous advantages for local economic actors, and as such these actors became territorially embedded in their urban spaces. Their attachment to their city was reflected in a sense of obligation to “pay back” the city. Despite the lack of unions and the presence of unregulated workplaces as discussed in Chapter 4, workers were to some extent also territorially embedded as their connection and dependency on their city was sustained through both economic and non-economic factors. Even though they were not part of the urban growth coalitions, the generosity of local families in the form of philanthropy, the free distribution of food, coal and clothes, the construction of education centers, and even the provision of reasonable mortgage loans to certain company workers were seen as the fruits of remaining in the city. These fringe benefits aside, workers have remained the invisible architects of the Anatolian miracles, as their low wages provided local employers with significant cost savings. This high level of labor exploitation has been the dark side of the Anatolian Tigers.

Chapter 6 discussed market-oriented urbanization in the cities of Anatolia as envisioned by the varieties of communitarianism. In Kayseri, the Islamic growth coalition and conservative community sanctioned the spatial practices implemented by the greater city municipality, itself part of the Islamic network. Urban space was reproduced in such way that allowed Islamic actors to display their revanchist tendencies given their historic suppression. Spatial practices privileged the revival of conservative and Islamic traditions in the city, in contrast to the secular spatial interventions that prevailed since the 1920s. In Kayseri, these revanchist tendencies co-existed with market-based policies and the implementation of the latter helped to justify the reproduction of urban space as a reaction to the secular modernization experience. Hence, the reproduction of urban space represented both market based tendencies and anti-secular sentiments.

In Gaziantep, the spatial practices of urbanization had different dynamics. First, Guzelbey's municipal administration and the city's urban growth coalition saw the reproduction of urban space as a mechanism for generating rent. The foundation for this perspective had been established by the preceding Dogan administration through changes to the city's zoning plan. These changes increased the number of organized industrial zones and exhibition centers for hosting international fairs, both of which made Gaziantep a center of international trade in the region. One important consequence of the emphasis placed on urban rent was the growing number of mass housing projects that were jointly administered by TOKI and the national organization, the Mass Housing Administration. This partnership provided numerous opportunities for local entrepreneurs as many were granted various

contracts for these housing projects through their network relations. The intensity of these mass housing projects in various municipalities produced a considerable number of housing units for socially excluded, predominantly Kurdish, in-migrants. The Guzelbey administration portrayed this as “upgrading the city” - sanitizing the space between the airport and the city center so as to provide a better view for international and other businesspeople. In Gaziantep, city branding and strategies to better market the city, and the city’s rich culture, formed an integral part of the urbanization process. Projects such as Innovation Valley and Trademark City Gaziantep all reflected the enthusiasm of the urban growth coalition to better integrate and internalize market mechanisms.

In Eskisehir, the social democratic administration headed by Buyukersen and the city’s urban growth coalition invested in various urban projects especially in the areas of transportation, social services and the arts. Social democratic ideals and the city’s historical leaning towards social democratic parties engendered urbanization projects that promoted co-existence in the urban space by increasing theaters, public spaces, concert halls, etc. In Eskisehir, an interesting paradox emerged from the simultaneity of pursuing urban policies that on the one hand became more and more entrenched in free market ideology, such as the regeneration of the Porsuk River and the gentrification of neighborhoods along the river, and on the other hand endorsed the reproduction of urban space with an emphasis on creating more social services, public utilities and inclusionary spaces. It has been this paradox, rather than revanchist policies or cultural calculations, that characterized the neoliberal urbanization experience in Eskisehir.

The Anatolian urbanization experiences and varieties of communitarianism examined in this dissertation are not overly optimistic. These economic “success” stories confirm that, in cities like Kayseri, which relies significantly on its conservative and Islamic networks and inter-solidarity mechanisms, questions of coexistence are often overlooked. While competitiveness has become the guiding objective of the city, socio spatial dynamics necessitate sensitivity to co-existence as well as to livability. This of course relates to the kind of city that is imagined by the inhabitants. Issues of co-existence and livability also highlight the limits and costs of the current modes of sustaining competitiveness, which place significant costs on workers, especially those in the informal sector. The experiences of Anatolian Tigers between local/global on the one hand, and neoliberalism and communitarianism on the other hand show that these experiences are not always associated with increasing democratic practices. In other words, communitarianism and democratization do not go hand in hand. Communitarian projects as strategic responses to globalization may involve exclusionary and disciplinary pressures on the society.

For instance, in all of cities studied, women entrepreneurs were observed to be in a severely disadvantaged situation, especially in Kayseri. In Gaziantep, immigrants were the losers of the neoliberal globalization process as the nationalist segments were keen on intervening in urban space and engendering socio spatial dynamics. In Eskisehir, while the social costs of economic growth were lower, there are serious concerns about the sustainability of a model that depends on the extraordinary efforts of a single actor, Mayor Buyukersen.

The implications of this study highlight areas for future research, especially in regards to the role of the nation state. This dissertation suggests that the rise of the Anatolian Tigers occurred with limited support from the state. The sustainability of economic development and the minimization of associated social costs might thus be achieved through greater state involvement. In other words, the articulation between local and global would not be complete unless the nation state gets involved as a caring, regulating and supervising actor. The most obvious reason for the lack of contemporary state support in Anatolia has been the failure of these cities to qualify for national incentive mechanisms. These mechanisms classified cities based on their socio-economic development and identified certain cities in need of state subsidies. The cities identified as “priority in development” were granted considerable assistance, including subsidized electricity rates, export/import duty exemptions, entrepreneur friendly low insurance premiums, tax conveniences for organized industrial zones, and so forth. The three cities covered in this dissertation were not identified as “priority in development” cities and so, as discussed in Chapter 4, the state support they received was minimal.

This assistance scheme constitutes an important policy question given its impact on the cities that are included as well as those that are excluded. For instance, all of Gaziantep’s neighboring cities qualified for state support. In a way, growth in economic activity in these neighboring cities was only possible by curtailing Gaziantep’s performance. Similar patterns prevailed in Kayseri and Eskisehir. Rather than continuing to rely on city-based incentives that are particularly vulnerable to political manipulation, sector specific support schemes

may be more effective. This dissertation has also set the stage for systematically identifying and utilizing the forms of embeddedness highlighted in this dissertation. A better understanding of network, cultural and territorial embeddedness stand to benefit the processes through which a nation state's regional and city-based development and incentive policies are instituted. For future research, this dissertation raise many crucial questions, such as: can the forms of embeddedness be applied to the study of economic development in other areas of the world, is there a potential for the success of urban growth coalitions in other parts of the world, are there limits to the power of the three forms of embeddedness (will the social costs of growth for example - if they continue to increase - eventually outweigh workers connection to the land, in what other ways might the future directions of neoliberal globalization affect urban growth coalitions and these forms of embeddedness?

Interviewee List

Kayseri

Nihat Molu KAYSO General Secretaries, interview by author, Kayseri, Turkey, January 2008. Kayseri Chamber of Industry, Kayseri, Turkey.

Ayşe Pekmezekmek, KAYSO Research and Publications Dep., interview by author, note taking, Kayseri, Turkey, November 2008. Kayseri Chamber of Industry, Kayseri, Turkey.

Kilci, Hasan Ali. KTO, October 2008. Interview with the author. Kayseri Chamber of Trade, Kayseri, Turkey.

Subası, Namık. GESIAD, October 2008. Interview with the author. Kayseri, Kayseri Young Businesspeople and Industrialists Association, Kayseri, Turkey.

İlter, Berna. November 2008. Interview with the author. Owner of BRN Holding, Kayseri, Turkey.

Tolga Gökşen KAYSO Foreign Trade, Fairs, EU and International Relations Dep., interview by author, tape recording, Kayseri, Turkey, October 2008. Kayseri Chamber of Industry, Kayseri, Turkey.

Ahmet Erkan, KTO Vice President, interview by author, note taking, Kayseri, Turkey, November 2008. Kayseri Chamber of Trade, Kayseri, Turkey.

Husamettin Toprak, Orta Anadolu Mensucat, Manager, interview by author, tape recording, Kasım Akçil, Kocasinan Belediyesi, Manager of Media and Publications, interview by author, Kayseri, Turkey, November 2008. Kayseri Kocasinan Municipality, Kayseri, Turkey.

Akif Yavuz, Kayseri Büyükşehir Belediyesi, Project Director, interview by author, note taking, Kayseri, Turkey, November 2008. Kayseri Metropolitan Municipality, Kayseri, Turkey.

Erdal Cinar, KOSGEB Kayseri, General Manager, interview by author, note taking, Kayseri, Turkey, October 2008. KOSGEB, Kayseri, Turkey.

Gaziantep

Ali İhsan Mutlu, KOSGEB President, January 2009, KOSGEB, Gaziantep

Funda Suran, Gaziantep ABİGEM, January 2009, ABİGEM, Gaziantep

Mehmet Özmen, Gaziantep Chamber of Industry (GSO), January 2009. GSO, Gaziantep.

Cengiz Şimşek, President of Gaziantep Organized Industrial Zone, January 2009, OIZ, Gaziantep

Figen Öğüt, Gaziantep Chamber of Trade (GTO) General Secretary, January 2009, GTO, Gaziantep

Mustafa, Geylani, Ex-president of the GTO; ex-president of the GTO assembly.

Osman Nakipoğlu, Chairman of MUSIAD, January 2009, MUSIAD, Gaziantep.

Yavuz Selim Ay, Head of the City Planning and Development Office, January 2009, Gaziantep Municipality, Gaziantep.

Group interviews with workers in a variety of companies.

Eskisehir

Savaş M. Özaydemir Eskişehir Chamber of Industry (ESO) President ESO, March 2009, Eskişehir

Cemalettin Sarar, Eskişehir Chamber of Trade (ETO) President, March 2009, ETO, Eskişehir

Selim Ögütür, Eskişehir Chamber of Stock Exchange (ESTB) President, March 2009, ESKTB, Eskişehir.

Taşçı, Cemalettin. Personal Advisor of Yılmaz Buyukersen, March 2009. Eskisehir, Turkey.

Group Interview with local entrepreneurs in Eskisehir Organized Industrial Zone. March 2009, Eskisehir.

Murat Yaman, Owner of a local fast food chain, March 2009.

Numerous collected interviews of Yılmaz Buyukersen from media sources, 2008-2010.

Group interviews with workers in a variety of companies, March 2009.

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Appendix

Interview Questions

1. City X has been known with its economic success, how do you think this success has been attained?
2. Do you think that Turkey's Ozal era brought change? If so how?

3. We often talk about the process of globalization, how do you think your city is being affected by this process? Can you give me some references?
4. Who do you think are the leading economic decision makers in the city? How does your organization/chamber/company/establishment position itself with these actors? Do you cooperate?
5. What factors, do you think, play an important role in being competitive for the city economy?
6. What would you do if you need financial resources?
7. Do you think the Customs Union influenced your city's economy?
8. Do you think increasing migrants constitute a problem for your city?
9. Do you think your city gets sufficient state support?
10. What is the major economic problem in your city?
11. Do you think the economic growth in the city is sustainable? Which sectors do you think deserve more attention?
12. What do you think in terms of the role of well-known families in your city? We see their names all around, how do you perceive their contribution to the city?
13. Often it is argued that local businessmen, entrepreneurs, etc cooperate and mobilize their resources, how do you think makes this possible?