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## **The Political Economy of Regional Power: Turkey under the AKP**

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# The Political Economy of Regional Power: Turkey under the AKP

## Abstract

In 2006/2007 Turkey became a regional power in the Middle East, a status it has continued to maintain in the context of the Arab Spring. To understand why Turkey only became a regional power under the Muslim AKP government and why this happened at the specific point in time that it did, the paper highlights the self-reinforcing dynamics between Turkey's domestic political-economic transformation in the first decade of this century and the advantageous regional developments in the Middle East at the same time. It concludes that this specific linkage – the “Ankara Moment” – and its regional resonance in the neighboring Middle East carries more transformative potential than the “Washington Consensus” or the “Beijing Consensus” so prominently discussed in current Global South politics.

**Keywords:** regional power, political economy, Turkey, AKP, Middle East

Background to the paper:

Earlier versions of this paper were presented at the “Politik und Ökonomie in globaler Perspektive: Der (Wieder-)Aufstieg des Globalen Südens” (Politics and Economy in Global Perspective: The [Renewed] Rise of the Global South) conference at Goethe University Frankfurt/Main on 5–7 March 2012 as well as at the Research Colloquy of the Institute of Political Science at Eberhard Karls University Tübingen on 3 May 2012. The Frankfurt conference was organized by the German Political Science Association's (DVPW) Development Theory and Development Policy sections, in cooperation with the International Relations and Political Economy sections and the Democracy Research and International Political Economy working groups.

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# **The Political Economy of Regional Power: Turkey under the AKP**

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## **1 Introduction: How Did Turkey Become a Regional Power in the Middle East?**

Where does regional power come from? Why do some countries wield more regional power than others? And why do some countries wield more of it than they did in earlier times? This paper attempts to explain the newly formed regional power status of Turkey in the Middle East. Considering the history of modern Turkey’s position in its southern neighboring region and its relations with the post-Ottoman Arab world (Jung 2005), the almost hegemonic position of the Turkish Republic under the Muslim-conservative Justice and Development Party

(Adalet ve Kalkınma Partisi, AKP) since 2006/2007 calls for a proper reflection on regional power dynamics. Since the AKP came to power following the 2002 parliamentary elections that dramatically altered the prevailing power structure within Turkish state and society, scholars of Turkish politics, international relations and Middle Eastern politics have dealt with the way the new elites have reframed the country's foreign policy agenda and the fundamental changes they have initiated (see e.g. Altunışık and Martin 2011; Kirişçi 2009; Öniş 2011; Pope 2010).

The changes in Turkey's foreign policy towards and positioning in the Middle East became all too obvious over the decade in question. Key moments were the Turkish parliament's 2003 decision not to support the US-led war against Iraq, the suspension of EU accession talks over the Cyprus issue in 2006, and the estrangement with the state of Israel after the Gaza War of 2008/2009. Most recently, Turkey's regional ambition has manifested in its self-ascription as a model for the Arab countries undergoing political transitions in the context of the Arab Spring on the one hand, and in Ankara's declared support for regime change in Syria, one of its most prominent allies until early 2011, on the other hand (see Balci 2012; Öniş 2012).

Seen from a broader perspective, Turkey's rise may be interpreted as the natural outcome of the end of US global hegemony, a new era of regionalism and a multipolar world order (see Archarya 2008; Flesmes 2010; Godehardt and Nabers 2011; Hurrell 2007; Nolte 2010). The rise of new regional and global powers signifies this clearly. Not only Brazil, Russia, India, China and South Africa – the (in)famous BRICS states – but also Turkey and Indonesia, among others, have become formidable growth zones that have attracted the attention of Western decision makers and experts over future security and economic issues. In an era when the capitalist core is facing the consequences of the global financial crisis post-2007 and the state fiscal crises post-2009, these new players are being included in efforts to cooperatively set up a new global financial order. In addition to China, Turkey is presented as one of the few developmental success stories of late. In the field of regional security, too, Western states are confronted with a new plurality of claims that undermine collective foreign policy-making, be it on the violent conflict in Syria or the Iranian nuclear issue. Here again, Turkey in particular has been hailed as a Middle Eastern success story and an example to emulate.

We argue that for Turkey, gaining and maintaining regional power status in the Middle East over the course of this century's first decade occurred because of self-reinforcing dynamics between domestic, that is, "inside," political-economy factors and regional, that is, "outside," developments. The AKP has been able to make use of new regional policies as tools of domestic legitimization, while its domestic successes against the Kemalist Turkish Armed Forces (TAF) have been regionally validated as clear proof that Muslim identity, economic liberalization and political democratization can co-evolve ("outside-in" and "inside-out"). In other words, we suggest that with the AKP's domestic consolidation has come its gradual foreign policy shifts and increased regional activism in the Middle East. The latter

developments have then served as tools for domestic legitimization. Also, the new trade patterns link Turkey's Middle East policy back to the new political and economic elite groups who grant the state the capacity to be actively involved in that region in the first place. It is this linkage in particular that has only emerged under the AKP, underlining Turkey's status as a role model for its Arab-Muslim neighborhood.

The paper proceeds as follows: Based on a brief discussion of the current research on the Turkish political economy and the country's relations to the Middle East (Section 2), we illustrate the interplay between changes in Turkey's domestic political economy in the 1980s and 1990s and the diverse failed attempts to gain regional power status, in the Middle East and beyond (Section 3). In Section 4 we outline the gradual domestic consolidation of the AKP government under Prime Minister Erdoğan in the face of the pressures from the Kemalist establishment, and the foreign policy shifts it has initiated, mostly as a result of the pragmatist ideology and agency of Foreign Minister Ahmet Davutoğlu. In Section 5, the main analytical part of the paper, our aim is to highlight the connections and, even more so, self-reinforcing dynamics between the domestic political-economic changes after 2002 and the advantageous regional developments since the middle of the decade. We conclude by relating Turkey's rise as a regional power in the Middle East – the “Ankara Moment” – to the discussion about the “Washington Consensus” and the “Beijing Consensus,” arguing that the Turkish example, with its emanation on a *regional* scale, might actually hold more transformative potential than the global consensus so prominently discussed in Global South politics.

## 2 Beyond Contemporary Explanations: Addressing Domestic and Regional Dynamics

To understand the substantive change in Turkey's position within the Middle East, scholars have proposed a variety of explanatory factors and mechanisms (see Altunışık 2008; Altunışık and Martin 2011; Kramer 2010; Pope 2010). One prominent argument deals with Turkey's politico-geographical identity and claims that its so-called “Middle Easternization” is the result of European states' opposition to Turkey's EU accession bid, which induced Turkish leaders to take a more cautious approach to dealing with the EU. Tarik Oğuzlu and Mustafa Kibaroglu (2009) blame not only Europeans but also the US plans for a post-Saddam Hussein regional order that would clash with long-established Turkish interests. Both the erosion of EU support and a growing anti-American sentiment reflect a new Turkish sense of belonging “both to European and Islamic civilizations,” with the AKP assuming “that Turkey's growing security, and cultural and economic links with the Middle East will increase the prospects of that country's accession to the EU” (ibid.: 586).

Geopolitical explanations refer to changes in Turkey's strategic interests, either for systemic reasons or for internal ones. According to the former perspective, the end of the Cold War provided new opportunities for Turkey to engage more independently from the EU and the US with its neighborhood (see Larrabee 2010). According to the latter, Turkey's new poli-

cies are the outcome of *desecuritization* processes regarding formerly contentious issues and security threats (see Aras and Polat 2008). Thus, it is argued that the decisive factor has not been the ideational framework of Ahmet Davutoğlu but rather the demilitarization of domestic politics in general and the ensuing empowerment of new civilian elites (see Karadag, forthcoming). In this process further aspects of civilian politics have come into play, as Turkey's liberalization has been paralleled by the new inclusion of civil society organizations and business associations in influencing the foreign policy agenda (see Altay 2011).

Most prominent, though, is the liberal political economic explanation, according to which Turkey's "zero problem" policies reflect the dramatic expansion of trade linkages, rendering Turkey a new "trading state" (see Kirişçi 2009, 2011) that, similar to the old liberalist "doux commerce" assumption, is forced to maintain peaceful relations with its partners, replacing conflict with cooperation (see Hirschman 1977).

Despite the explanatory capacity of these works, they suffer from a serious flaw in that they merely account for the changes taking place in Turkish foreign policy-making. What they cannot explain is why Turkey has been so successful in becoming a new regional power. To do so, it is insufficient to deal with domestic transformations and desecuritization processes alone, as they demonstrate only one side of the Turkish success story. We need to go beyond this and emphasize the linkage between the domestic dimension, which Turkish elites can influence, and the regional setting, which they cannot influence and where that power is acknowledged, admired and feared. Turkey's regional power may tell us less about Turkey and more about regional dynamics in the Middle East itself. Given the relationality of regional power, any explanation omitting this linkage remains under-complex, if not insufficient.

### **3 Before the AKP, Before Regional Power: Turkey in the 1980s and 1990s**

Since 1980, which saw parliament's adoption of the IMF structural adjustment program on 24 January and the last military coup d'état on 12 September, Turkey has been involved in a new project of combining democratic politics and capitalist development. While the former was initially heavily constrained by military-Kemalist tutelage, the latter process has consisted of the disembedding of the market and its proper institutionalization in Turkish society, something which had always been precarious at best (see Buğra 1994, 2003).

The disembedding of the market was accomplished in several steps. First came the dismantling of the tightly regulated trade regime through the lifting of import controls and quotas. At the same time, new financial support schemes for export businesses were set up to cushion the impact of global competition. These direct subsidies, which targeted the upper rank of Turkish capitalists, the family business groups who maintained their position as national champions in the new developmental regime (see Buğra 1994; Karadag 2010), were maintained until Turkey's accession to the World Trade Organization (WTO) and the EU Customs Union in 1995. While Turkey's open access to global commodity and service mar-

kets was realized rapidly, in the field of privatization, governments faced serious opposition within parliament, trade unions and the judiciary until the 1990s, with the effect that income from the sale of state-owned enterprises remained low in terms of a comparative perspective (see Öniş 2011).

However, for two decades, Turkey could not achieve sound macroeconomic indicators. In fact, the full liberalization of Turkey's capital account in 1989 introduced a new source of economic instability and rendered Turkey unprotected from speculative attacks against the Turkish lira as financial liberalization was introduced before macroeconomic imbalances were overcome (see Öniş 2003). Also, any attempts to increase regulatory quality in economic policy-making in the 1990s were impaired by the previous return of former party elites to the political stage in 1987, which led to excessive patronage politics that drew heavily on public and private banks (see Karadag 2010). The financial dependence of private businesses in general and of individual political elites in particular eventually led to the outbreak of two financial crises, in 1994 and 2000/2001, which had the side effect of delegitimizing established incumbents and legitimizing religious counterelites. When the AKP, as part of the latter group, credibly broke with more radical Islamist thought and provided an alternative to everyday corruption, it succeeded in taking over the central-right camp and shaking up the political system.

Thus, until 2002 there was no success story that could be transmitted into the Middle East neighborhood. With the end of the Cold War in 1989/1990, Turkey struggled hard to find its own role in world politics and in different regional arenas. One goal was invigorating political, cultural and economic ties with post-Soviet Turkic republics in the Caucasus and Central Asia in order to recreate a kind of "Turkic commonwealth" from Turkey to the borders of China. However, that attempt came to naught. Although Western leaders labeled Turkey a model case for democracy and market economy (see Hale 2002: 290–291) that could be emulated by Central Asian republics, in practical terms cooperation did not go beyond the – albeit quite impressive – capturing of new markets for Turkish exporters, especially in textiles and clothing, and construction companies. It did, however, allow Turkey to expand its private-education facilities and exchanges under the umbrella of the Fethullah Gülen network.

In the Middle East proper, Turkey was also unable to function as a role model to be discursively appropriated by either Arab governments or opposition movements as it itself was directly involved in conflictual interactions with, for example, its neighbors Syria and Iraq, who formulated claims against its water dam projects in the Southeast (the so-called GAP). Also, the ongoing war against the rebellious Kurdish Workers' Party (Partiya Karkeren Kurdistan, PKK) gave Turkey the identity of a direct contender in Middle Eastern relations rather than a neutral power broker. Finally, the country's military cooperation with Israel – directed against Syria, which harbored PKK leader Abdullah Öcalan – was not welcomed by either regimes or social groups in the Muslim world (see Altunışık and Tür 2006).

More generally, though, what limited Turkey's regional policy reach was the fact that, since the establishment of the Third Republic in 1982, security and foreign policy issues had been the domain of the Turkish Armed Forces (TAF), which set both the ideological boundaries of the regime in order to reinvigorate a Kemalist-secularist state order and the practical limitations through their control of the National Security Council (NSC) (see Cizre-Sakallioğlu 1997). This does not mean that political leaders could not or did not use foreign and regional policy as a legitimizing tool to expand the capacities of civil against military power domestically. One example was Turgut Özal, who succeeded in securing Turkey's participation in the US-led Gulf War against Iraq in 1990/1991 against the will of the NSC. Afterwards, he furthered Turkey's interests as a direct conflict party, especially in the violent Iraqi-Kurdish affairs of the mid-1990s. His sudden death from a heart attack in 1993 prevents any estimation of the extent to which Özal, the father of Turkish neoliberalism and the grandmaster of Turkish politics since 1980, could have presented new regional policy initiatives.

A more direct challenge to the neo-Kemalist order emerged in 1996, when the Islamist Welfare (Refah) Party under Necmettin Erbakan presided over a coalition government and took the opportunity to initiate important symbolic and practical changes. However, Erbakan's approach did not prove successful. On the one hand, the TAF maintained and deepened security arrangements with the state of Israel, including collective military maneuvers, which proved to be an effective obstacle to linking foreign politics and domestic legitimization – for example, through the politicization of the unresolved Israeli–Palestinian conflict. On the other hand, symbolic steps like Turkish state visits to Egypt and Libya also did not bear fruit, as Colonel Gaddafi chose to bring the Kurdish issue and the war against the PKK to the fore and to charge the Turkish government with an undemocratic approach in that matter (see Sayari 1997). The Refah episode ended with the TAF's soft coup in the aftermath of 28 February 1997, when the NSC issued a memorandum identifying the Islamist party as a threat to Kemalism and obliging the government to implement reforms to counter this claim. This led to Erbakan's resignation and to the banning of the Welfare Party in 1998.

## **4 Domestic Hegemony and Regional Power: Turkey from 2000–2010**

### **4.1 Becoming Hegemonic**

If Turkey faced substantial dilemmas in economic policy-making in the 1990s, the economic success story in the first decade of this century was all the more astonishing. Not only did GDP growth resume at a high level, comparable only to the growth rates of BRICS countries, but it was also accompanied by relatively low inflation rates, fiscal austerity and unforeseen levels of privatization and foreign direct investment (see Öniş and Şenses 2009).

Although relevant post-crisis institutional changes go back to the entrepreneurship of Kemal Derviş, who became minister of finance and economy under the Eçevit coalition government, the AKP has maintained the confidence of international financial institutions, big business holdings and foreign investors by strictly committing itself to the prescribed policy recommendations. The financial sector, above all, has turned out to be much stronger than in the past; even the constitutional crisis of 2007 could not harm it. Also, although the global financial crisis hit Turkey hard in 2008 and 2009, Turkey's banks have since been more robust than ever. One striking example of the obvious change is the field of banking regulation. Those private banks that had large shares of bad loans, that had outstanding debts with the state banks or that went bankrupt were taken over by the Savings Deposit Insurance Fund (SDIF) after 1999. The fund even went so far as to confiscate several companies of the respective holding companies in order to guarantee debt repayment. The SDIF consolidated the banks' and companies' balance sheets and reprivatized them. This has been a viable mechanism to underline the government's anticorruption stand as these measures have targeted oligarchic families like the Uzans, which have built up powerful links to finance and media, with no party willing or able to restrain their corrupt activities.

The AKP government has also been the first in Turkish history to credibly implement the privatization program. From its introduction in 1985 up until 2002, privatization had only generated 9.5 billion USD. Since 2002, privatization proceeds have surpassed 34 billion USD, with most of the sales occurring in the fields of energy, telecommunications, mining, sugar and tobacco. Related to this, foreign direct investment has also experienced a boost: while it remained below 5 billion USD until 2004, it surged to 20 billion USD in 2007. Turkey has cut subsidies in the agricultural sector, and today its economy consists mainly of private companies, the biggest of which actively engage in international markets. There has been an almost ten-fold increase in the country's foreign direct investment since 2002 (see Kutlay 2011; also Altan-Olcay 2011). Thus, as Caner Bakir (2009) argues, the break with the conflictual 1990s seems to have been completed. The AKP has managed to strengthen the new complementarities between low inflation, low interest rates and fiscal austerity, something which was impossible within the former political-economy framework.<sup>1</sup> Similarly, while privatization was previously contested by both political and economic groups, Ziya Öniş (2011) traces the emergence of a new mass social support base for privatization that has included both the fragmented business sphere and trade unions. While big family holdings profited enormously from the sales of large state energy companies (for example, TÜPRAS in 2005 and PETKİM in 2007) and even the military's business group OYAK secured important deals in the steel industry (ERDEMİR 2006), the trade unions could also be included in the pro-privatization

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1 This view is contested by Demir (2009), who highlights the continuities of Turkey's political economy by arguing that the high interest-rate levels after 2002 still represent a serious challenge for the domestic economy's productive sectors.

camp as sales benefited mostly national capital, and only rarely, as in the case of TEKEL (2008), the state's tobacco enterprise, multinationals.

Furthermore, this new phase of ordered politics has come with a new narrative on the part of domestic political elites that at last takes up the struggle with the powers of the TAF. Having been elected into a rather precarious position in 2002, the AKP has within one decade managed to disempower the NSC and the General Staff. It initially did so via the anchor of EU negotiations, but during and after the constitutional crisis of 2007 it did so by mobilizing antimilitary civil society and media organizations, framing the TAF as enemies of Turkish democracy. Thus, the issuing of an e-memorandum by the General Staff in 2007 was of no avail; unlike the soft coup against the Erbakan government ten years earlier, it instead gave credence to the AKP's self-portrayal as the sole liberalizing sociopolitical force in the country, a view that was obviously supported given the party's success in acquiring the Kurdish vote in the 2007 parliamentary elections. That this struggle against the TAF, which came to an end with the resignation of Chief of General Staff Ilker Başbuğ in July 2011, was fought by elites with a distinct Muslim identity has provided the AKP with a powerful discursive weapon according to which there is no contradiction between Islam on the one hand and democracy, capitalism and modernity on the other. It is particularly this discursive toolkit that has been appropriated within the Arab Middle East, both by regime elites and opposition movements.

Furthermore, what renders the AKP's impact truly revolutionary and hegemonic is the fact that it acts both as the source driving the disembedding of the market and as the main "reembedder" of the discontented, and thus propagates pro-capitalist and social solidarity values at the same time (see Göcmen 2011). Various segments of its Muslim constituency are involved in new business associations (for example, MÜSIAD, TUSKON) that take an active stand in formulating domestic and regional policy initiatives (see Atli 2011), thereby further "civilizing" political processes, and in social solidarity organizations that provide charity and private-education facilities (the so-called *dersanes*), which operate as important venues for success in the fiercely contested access to the public university system (see Rutz and Balkan 2009). These segments, with which the AKP is organically linked, cooperate most successfully within the municipalities under AKP control. What some label public-private partnerships are in fact a demonstration of the successful mobilization of anti-Kemalist counterelites, who are maintaining and deepening their grassroots linkages and who represent a new vision of social harmony based upon strong notions of social embeddedness. Thus, the AKP has at its disposal vast patronage capacities; these have proven to be highly successful in the electoral campaigns since 2002, and they resonate well among Arab Islamist parties and movements that may similarly prove to be hegemonic in the post-Arab Spring years.

## 4.2 Turkey's Rise in the Middle East under the AKP

The AKP's latest success in the parliamentary elections of 12 June 2011 – in which the party, under the leadership of Prime Minister Erdoğan, received 49.9 percent of the votes, its most successful result thus far – underscores the party's newfound hegemonic position in Turkish politics. In addition to the transformations in the domestic political economy and the related decline in influence of the military and the older economic elites, it is the AKP's foreign policy reorientation over the course of the last decade that has contributed to its strong domestic popularity. Traditionally, Turkish foreign policy has been characterized by a Western orientation deeply anchored in a Kemalist nation-building process. Even though this crux of Turkish foreign policy has so far remained intact, and will likely still be prominent in the coming years, a stronger "multidimensionality" (see Kramer 2010) and a diversification of alliances outside the West is also characteristic of the "new Turkish foreign policy" under the AKP (see Pope 2010).

As a leitmotif, we can cite the much quoted "zero problems (with the neighbors)" strategic doctrine preached by Ahmet Davutoğlu, the current foreign minister and previously Erdoğan's chief foreign policy consultant.<sup>2</sup> According to Davutoğlu, instead of adopting a cautious, reactive and from time to time suspicious approach to its regional environment, Turkey should negotiate proactively and look pragmatically for opportunities to solve conflicts and create cooperation. As a junction and a bridge between Western Europe, the Balkans, Eastern Europe, the Caucasus, Central Asia and the Middle East, Turkey might be virtually predestined to have such a foreign policy. The Middle East is the region in which Davutoğlu's doctrine, particularly in the AKP's second term (2007–2011), has been most comprehensively enacted, thereby leading to Turkey's rise as a regional power. Within the context of the "zero problems" doctrine, the two dominant features determining Turkey's Middle East policy are, first, its geo-economic ambitions and, second, its nonmaterial interest in the generation of soft power – in other words, the creation of ideological support for Turkey within the Middle East (see Altunışık 2008; Pope 2010).

The geo-economic driving forces of Turkey's Middle East policy can be illustrated by the significantly increased volumes of capital expenditures and trade that have occurred under the AKP government, as well as by the diversity of Turkish business partners in the region. Energy cooperation and especially the availability of reliable and cheap natural gas and oil have played an important role in Turkey's relations with the Islamic Republic of Iran. In turn, Turkish companies in Iran have been active in the areas of construction and infrastructure. This interweaving of foreign trade policy also explains why the Turkish government – despite differing ideological orientations – welcomed the controversial June 2009 reelection of President Mahmoud Ahmedinejad, and why Turkey voted against the tightening of the sanctions against Iran that was being called for by Western nations in the UN Security Council, in

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2 The following paragraphs draw on insights previously developed in Bank (2011).

which Turkey had a seat as a nonpermanent member in 2009 and 2010.<sup>3</sup> In Kurdish-dominated northern Iraq, Anatolian companies with close ties to the AKP administration are so financially active that any closing of the border by Turkey would cause substantial economic turbulence in that area, which is controlled by the Kurdistan Democratic Party under Massoud Barzani (see Barkey 2011). Similar to Turkey's economic cooperation with Iran was its cooperation with Libya under Muammar Gaddafi: Turkey imported Libyan oil, and Turkish construction, tourism, energy and retail businesses were active in Libya. In each of the years 2008 and 2009, the volume of bilateral trade amounted to nearly 10 billion USD (see Mattes 2011).

The rapprochement between the AKP administration and Syria under President Bashar al-Assad was also largely economically motivated. In light of the years-long animosity between Turkey and Syria, which nearly escalated into war in 1998, the formation of "brotherly relations" between Ankara and Damascus through a diversity of collaborative projects – a high point of this being the joint cabinet meetings in 2010 – was particularly remarkable. In its relations with Syria, Turkey had capital expenditures and trade close to the border in its sights. However, it also aimed to develop a new transit route, which would run primarily through Jordan and Iraq and carry domestic products into the financially strong Gulf states. Another development to come out of the new economic relationship was Turkey's 2009 lifting of visa restrictions for Syrian citizens: by the end of 2010, approximately 60,000 Syrians were visiting Turkey monthly.<sup>4</sup>

Along with its geo-economic interests, the formation of soft power in the Middle East is also a main feature of Turkey's regional policy. Prime Minister Erdoğan, Foreign Minister Davutoğlu and President Abdullah Gül (also from the AKP) have primarily used two tactics: For one thing, they have continuously promoted, however subtly, a "Turkish model" for the Middle East in their political speeches and statements. This model includes – with varying degrees of emphasis – elements of pluralism and party-based democracy, a successful economy, religious and cultural authenticity, and a relatively independent foreign policy, all of which amount to a description of the AKP administration.

The Turkish government has also developed a strong anti-Israel, pro-Palestine rhetoric since the beginning of the war in Gaza on 27 December 2008, rhetoric that has at times come off as clearly populist. The reason for such rhetoric was the visible irritation on the part of Ankara, which, despite the intensive mediations it had been conducting between Israel and Syria since May 2008, received no advance notice from Prime Minister Ehud Olmert's administration about the imminent war in the Gaza Strip. Ankara was also visibly jarred by the way Israel conducted the war, which led to the deaths of 1,300 Palestinians, almost all of whom were civilians. At the meeting of the World Economic Forum in Davos at the end of January 2009, Prime Minister Erdoğan turned openly against Israel's president, Shimon Peres,

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3 For a historical approach to Turkish–Iranian relations, see Elik (2012).

4 For detailed figures on Turkish–Syrian trade in the first century of this decade, see Tür (2011: 595–597).

for the first time. The worsening of Turkish–Israeli relations reached a new low with the Gaza flotilla affair at the end of May and beginning of June 2010: After Israeli commandos boarded the Turkish ship *Mavi Marmara*, an aid convoy, in the Eastern Mediterranean and ended up killing eight Turks and an American–Turkish dual citizen, the conflict between Turkey and Israel escalated to a previously unprecedented level. While Israel insisted that the Gaza aid flotilla was illegal, that its forces were provoked, and that the commandos essentially acted in self-defense, Turkey demanded both a legal investigation of the Israeli military’s intervention in international waters and a comprehensive apology from Israel. Turkey’s obdurate positions regarding the Gaza aid flotilla have hindered every attempt at a rapprochement between Turkey and Israel since the summer of 2010.

In the wider regional context of the Middle East, Turkey’s decidedly pro-Palestine stance required that it distance itself from Egypt under Hosni Mubarak, and that it also reject his pro-West and pro-Israel attitudes regarding the Gaza Strip and the party that has been in power there since 2007, Hamas. Turkey has played a more moderate tune in relations with the governments of Jordan and Saudi Arabia, which are perceived as being just as pro-West; particularly with respect to Saudi Arabia, economic considerations have once again played a central role.

The geo-economic and nonmaterial features of the AKP’s foreign policy vis-à-vis the Middle East can be widely seen as having been successful. The anti-Israel and pro-Palestine rhetoric as well as the suggestion of a “Turkish model” for the Middle East have been, according to opinion polls, endorsed by wide swaths of the various Arab populations; for a majority of Arabs, Prime Minister Erdoğan even represented the most well-liked politician in the world in 2010.<sup>5</sup> Nevertheless, the seemingly successful Turkish Middle East policy under the AKP cannot hide the fundamental conflict of interest between the country’s geo-economic and nonmaterial goals: On the one hand, Turkey’s interest in economic cooperation, trade and investment in the Middle East calls for a stable surrounding political environment and pragmatic collaboration with authoritarian regimes, whether they be in Iran, northern Iraq, Libya, Syria or Saudi Arabia. On the other hand, because of the populist generation of soft power, the status quo in the Middle East – especially regarding the Israel–Palestine conflict – is being called into question. This basic contradiction has led to, among other things, the AKP administration’s discontinuation of the propagation of its “Turkish model,” beyond its economic components, to its important trade partners Iran, Libya and Syria. This move evinces the pragmatism of the AKP’s Middle East policy. The worsening of Turkish–Israeli relations since 2009 shows, however, that the policy of “zero problems” with the neighbors does not always work, and sometimes indicates wishful thinking on Turkey’s part rather than regional political realities.

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5 See the 2010 Arab Public Opinion Polls by Telhami and Zogby International, online: <[www.brookings.edu/~media/Files/rc/reports/2010/08\\_arab\\_opinion\\_poll\\_telhami/08\\_arab\\_opinion\\_poll\\_telhami.pdf](http://www.brookings.edu/~media/Files/rc/reports/2010/08_arab_opinion_poll_telhami/08_arab_opinion_poll_telhami.pdf)> (1 February 2012).

## 5 Finding the Missing Link: Self-Reinforcing Domestic and Regional Dynamics

Following these empirical descriptions of *what* happened in Turkey and the Middle East's regional constellation, our aim in this section is to establish why this ascension to regional power was possible after 2007. Contrary to the explanations presented above (Section 2), we attempt to identify the self-reinforcing dynamics that support Turkey's regional power status in the Middle East. For that, there exist two preconditions – one domestic and one regional – that together generate a lock-in effect with increasing returns (see Mahoney 2000), meaning that domestic AKP successes translate into regional action capacity and that regional policies and initiatives legitimize and strengthen the AKP's domestic powers at the same time.

### 5.1 Domestic Dynamics and Their Effects: Inside-Out

On the domestic front, the tipping point for the consolidation of the AKP government was its victory over the Kemalist establishment in the 2007 constitutional crisis. The government overcame this challenge with two electoral successes: the referendum that called for the direct election of the president and the parliamentary elections in which the AKP secured 47 percent of the national vote. Until then, the AKP had faced a rather precarious power setting and was contained by the TAF, the judiciary and President Necdet Sezer, who was replaced in 2007 with former foreign minister and AKP politician Abdullah Gül. The AKP's monopolization of political power was far from obvious and in fact unexpected at the time of its coming to power in 2002/2003. This accounts for its rather pragmatic political stand until 2006, which saw it refrain from making any moves to alter the post-1982 neo-Kemalist order (see Karadag forthcoming). In this context, the AKP profited from the implementation of the first EU harmonization packages under the Eçevit government. The latter decided to deepen the reforms to keep up its democratic and pro-European identity. Through the EU negotiations, which were reciprocated with the formal beginning of accession talks in 2005, the AKP was able to dismantle the NSC via the EU anchor (see Hale and Özbudun 2010: 87). Even so, this dynamic of linking foreign and domestic policy lasted only until 2006, when further negotiations were halted because the question of Cypriot access to Turkish ports was not solved and because the government could not solve the headscarf issue with the help of European institutions.<sup>6</sup> Thus, at that time, the EU card had been played out, and the AKP could make no further domestic legitimacy gains while simultaneously getting rid of the Kemalist influence.

Thus, during and after the 2007 attempt by the Republican People's Party (Cumhuriyet Halk Partisi, CHP), the military and Kemalist civil society organizations to prevent Gül's election as state president, the AKP decided to engage in a full-fledged power struggle against those groups it labeled as the real enemies of Turkish democracy. Backed with a strong popular mandate, no move by the opposition – despite the party closure case in 2008,

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6 For example, in the ruling on Leyla Sahin against the Turkish state on 10 November 2005, the European Court of Human Rights did not interpret the headscarf ban in public universities as a violation of the freedom of religion.

which the AKP survived – could endanger the party’s position. The AKP has gone on to win every electoral contest since then. Thus, without this victorious struggle against the self-ascribed defenders of Kemalism, there would be nothing with which the AKP could act as a model in foreign affairs, and it is since then that foreign policy has been used as a tool for domestic legitimization that neither the opposition parties nor the TAF have been able to harm. In addition, in order to make this self-reinforcing connection in the economic sphere, the expansion of trade relations with Middle Eastern countries has benefitted Turkey enormously as this represents the only region from which Turkey realizes trade surpluses (excluding oil imports). In a time when the current account deficit has become, again, a chronic problem for Turkey’s economy and financial structure, this fact should not be underestimated.

## 5.2 Regional Dynamics and Their Effects: Outside-In

In addition to the domestic rise to hegemony of the AKP-dominated version of Turkey’s political economy, the dynamics of regional politics in the Middle East since the middle of the previous decade need to be understood as a second self-reinforcing mechanism for the consolidation of Turkey’s regional power status in the Middle East. In most instances, the regional dynamics have been largely beyond the direct influence of Turkish policy, but they have nevertheless increased its potential to make inroads as a key player in the Middle East arena.

The first basic aspect relates to the increased multiplicity of influential actors in regional politics since the middle of the last decade. This is an indirect result of the wars that characterized the Middle East around this time: Put simply, the Iraq War has since 2003 decisively contributed to the much cited regional rise of the Islamic Republic of Iran. In the context of the Lebanon War of 2006, it was the Islamist Hizballah that gained popular appraisals region-wide for its tough *muqawama* (resistance) stance against Israel. And finally, after having won the Palestinian parliamentary elections in January 2006 and having seized control of the Gaza Strip, the Islamist Hamas also became a regionally relevant player through its *muqawama* posture against Israel – particularly in the context of the Gaza War of 2008/2009.<sup>7</sup> In addition to these war-related dynamics, it has been the immense loss of influence of the US in the Middle East, especially after the second Bush administration from 2005 to 2009, that has allowed for the rise of influential regional players. Other actors have gradually filled the “diplomatic gap” that has arisen from the massive discrediting of the US due to its war and occupation policies in Iraq as well as its one-sided partisanship for Israel. In addition to the “well-known” regionally dominant actors like the pro-Western Egypt and Saudi Arabia, less one-sided pro-Western and more flexible actors have gained influence through their role in mediating important conflicts in the region: In Lebanon, it was Qatar’s decisive third-party

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7 For a more systematic treatment of the 2006 Lebanon War and the 2008/2009 Gaza War in the making of the regional order in the Middle East, see Valbjorn and Bank (2012).

role that allowed for the agreement on the new president Michel Sulaiman, the compromise candidate, as well as on the formation of a national unity government, both in May 2008. Around the same time, Turkey hosted secret talks between Israel and Syria. They lasted for eight months, until the outbreak of the Gaza War following Israeli attacks in December 2008.

The second and related aspect that has allowed for Turkey's regional rise to prominence relates to the dominant pattern of alliance-building and ideological polarization in the Middle East. Since the middle of the last decade, a clear dichotomy between two regional camps, most openly expressed in the differing reactions to the wars in Lebanon in 2006 and Gaza in 2008/2009, has emerged (see Valbjorn and Bank 2012): While the traditionally influential Arab states Egypt, Saudi Arabia and Jordan have maintained their pro-Western position and their, at least indirectly, acquiescent stance towards Israel, the diverse actors representing the so-called "*muqawama* axis" – Iran, Syria, the Lebanese Hizballah and the Palestinian Hamas – have emerged as important challengers to the conservative "status quo" alliance.<sup>8</sup> In this highly polarized context and given the United States' aforementioned decline and gradual withdrawal from the regional scene, a new space has opened up for less directly allied and more flexible players in the Middle East. And while this increased multiplicity of influential actors in regional politics together with the specific pattern of alliance-building and ideological polarization in the Middle East since the middle of the last decade has provided Turkey with the opportunity to seize the moment, it is the massively increased regional initiatives of the AKP government since 2008/2009 that have truly allowed for its unprecedented rise to a source of inspiration, as already outlined in detail.

## 6 Summary

With respect to Turkey's rise as a regional power since 2007, the following points stand out. First, compared to most, if not all, other Middle Eastern countries, Turkey had, and continues to maintain, the capacity for independent action in and beyond the Middle East. Not being tied directly to any of the camps in intra-Arab struggles, Turkey has assumed a vital brokerage position and follows an impartial and multidimensional approach, despite popular anti-European slogans that should not be interpreted too hastily as a total break with the EU option in the future. This freedom of action in the regional sphere parallels the domestic context, where the AKP has managed to break out of its initially precarious power position and to move towards liberalizing Turkish politics from the grip of the TAF. This linkage between the domestic and the regional dimensions cannot be emphasized enough as it provides the government with a powerful narrative.

Second, this narrative is the basis for the emanation of a kind of "Ankara Moment," the spatiotemporal concentration of power in the hands of Turkish elites. To repeat, this has less

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8 On the rise and possible demise of the "*muqawama* axis," see Mohns and Bank (forthcoming).

to do with Turkish domestic developments proper and more to do with the state of political, economic and cultural affairs and Turkey's relational position in the Middle East. Turkey's successes can be easily contrasted with other countries' lack of political freedom and macroeconomic imbalances, their citizens' everyday encounters and disillusionments with corrupt and ineffective state apparatuses, and the obvious contradictions between Muslim and Arab national identities on the one hand and geopolitical realities on the other. At a time when a new regional public sphere has been in the making (Valbjorn and Bank 2012), such grievances have been increasingly debated. This has allowed for the inclusion of the Turkish model, which seems to have succeeded in addressing the social and identity conflicts attributed to the authoritarian Kemalist legacies of the country, in these discussions; hence the growing acceptance of and support for Turkey as a regional actor whose approach differs radically from that of global and other rival regional actors in their attempts to become hegemonic. Neither Iran nor Saudi Arabia can credibly act as defenders of the Muslim voice as the AKP has done domestically.

However, we should not overlook the fact that this regional attribution of values has occurred only in a partial and limited way. The idealist assumption that the AKP manages to combine Islam and democracy underplays the serious deliberalization trend since the 2009 municipal elections. Since then the government has fundamentally strained the notion of the rule of law by using the state's (still-existing) despotic powers against its enemies. The *Ergenekon* case<sup>9</sup> was originally intended to uncover and dismantle Turkey's deep state (Gunter 2006), an illicit network of paramilitaries and ultranationalists that is held responsible for political violence during the war against the PKK in the 1990s and for the murder of, among others, Turkish-Armenian journalist Hrant Dink in 2007. Yet in recent years, with the opening of the *Balyoz* case against members of the TAF who allegedly planned to overthrow the government in 2003 and with new waves of arrests since 2009 – which have included Kurdish and Turkish political activists, journalists and professors – the long-standing Turkish tradition of politicizing the judiciary to silence any form of political opposition appears to have been upheld.

Thus, the AKP is not living up to the expectations for a democratic Turkey that it stirred in 2007 when making concrete plans to devise a new, democratic constitution and in 2009 when announcing the Kurdish, or democratic, opening that was intended to settle the decades-long Kurdish issue. The nonfulfillment of its liberalizing mandate at this stage indicates that the AKP's independent action capacity may have been an unforeseen consequence of the short-term solution to the Kurdish problem with the capture of PKK leader Öcalan in 1999. It is highly questionable whether the AKP elites could have implemented any liberal reforms had the war against the PKK remained as violent as in the preceding years. Since the conflict remilitarized in 2007, despite the limited cultural reforms to liberalize the public use of the

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9 For a detailed overview of the turns this case has taken, see Gareth Jenkins's report – online: <[www.silk-roadstudies.org/new/docs/silkroadpapers/0908Ergenekon.pdf](http://www.silk-roadstudies.org/new/docs/silkroadpapers/0908Ergenekon.pdf)> (5 February 2012).

Kurdish language, the AKP has been faced with the dilemma of how to solve the issue without giving in to more nationalist movements and parties such as the hyper-nationalist MHP (Milliyetçi Hareket Partisi). At any rate, the political deliberalization trend has not diminished Turkey's symbolic power in the Middle East. Such a potential decrease in emanation may represent a new challenge in the future – should Turkey lose its unique status as a Muslim democracy in the region and should its failure to deal with the Kurdish issue domestically constrain its foreign policy moves in the Middle East – but so far the current “Ankara Moment” is still working in Turkey's favor.

## **7 Conclusion: The “Ankara Moment”**

The early twenty-first century has been marked by the rise of new regional and global players that are increasingly demonstrating their capacity to impact world politics. This represents both a materialist and an ideological-symbolic challenge for Western capitalist democracies. On the one hand, the latter's attempts to influence and structure regional affairs will be ever more contested. On the other, the ideological toolkits Western countries recommend and stipulate to late-developing countries in the Global South have lost their momentum in recent years, while new success stories are often framed according to principles that diverge from Western experiences.

These processes can be traced back to the end of the Cold War. The resulting US hegemony, in economic and military terms, was buttressed by the discursive expansion of the “Washington Consensus” (Williamson 1990) – that is, the propagation of neoliberal value systems calling for privatization, austerity and unrestrained financial markets. This model lost its appeal and legitimacy outside the West with the outbreak of financial crises in Latin America, East and Southeast Asia, Russia and Turkey in the late 1990s, before it came under heavy attack in the US and Europe after 2007–2009. While the “Post-Washington Consensus” (Winters and Pinches 2002; Weaver 2008) has been an attempt by the World Bank to save neoliberal policy prescriptions by adding elements of state regulation and a role for institutions to promote development and welfare, the newly emerging “Beijing Consensus” tells a different story altogether, namely, that of an authoritarian type of state capitalism that succeeds in capturing export markets and foreign direct investment and that undoes the link between capitalism and democracy to secure the benefits of the former. China's rise has captured the minds of security and business experts, stirring fear and admiration, and its developmentalism is, in fact, globally inspiring. However, it does not have the potential to be emulated abroad, nor do Chinese elites promote a certain set of policies to expand their “model.”

The “Ankara Moment” differs from these other, earlier consensuses that have shaped the thinking about global development since the 1990s. It is not a set of economic and other regulatory policies that may be propagated abroad. It is the spatially and temporally – limited to the Middle East and post-2006 – structured conjuncture of interrelated regional and domestic

processes. Yet it is exactly this context-bounded nature of Turkish power under the AKP that makes it have much deeper implications for its Middle Eastern neighborhood. In more concrete terms, debating China in the Middle East may influence public opinion about how to position one's country geopolitically, but the reach of assigning meaning to China remains limited, at best. Not so with Turkey: Debating Turkey, in general, and the AKP's successes, in particular, takes on a different symbolic dimension. The example of Turkey can be appropriated more properly to juxtapose it with the economic weaknesses, rigid discourses and authoritarian politics in the Arab Middle East. Turkey has been appropriated into a discursive toolkit to trigger new, aspiring debates directed against authoritarian elites on the one hand and at Western audiences on the other, in order to demonstrate that there need be no contradiction between Muslim value systems and political democracy. Thus, in its regional reach, this "Ankara Moment" has a highly transformative potential; it captures the imagination and expectations of Turkey's neighboring Arab societies, which can easily express what Turkish changes mean for them. That this discursive linkage can be made has dramatic consequences and increases the symbolic power of Turkey in the Middle East. Turkey has so far stood out as the sole case of Muslim democracy in the region, something which was made possible through, and not in spite of, the influence of religious parties and movements that maintained the political context for stable capitalist relations as the sociocultural source of regional emanation. Without the domestic transformations outlined in this paper, Turkey would have had nothing to transmit its influence with, and without the conflictual and authoritarian regional context, Turkey would have had no place into which to transmit it. This specific linkage is key to understanding why, how and when Turkey became the new regional power in the Middle East and why this consensus is not likely to travel to other regional settings.

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