

## **THE ROLE OF TURGUT ÖZAL IN TURKISH FOREIGN AND ECONOMIC POLICY DURING 1983-1993**

1983-1993 DÖNEMİNDE TÜRK DIŞ VE EKONOMİK POLİTİKASINDA TURGUT ÖZAL'IN ROLÜ

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### **ABSTRACT**

The biggest problem in Turkey in the early 1980s was economic instability. The global economic crisis affected Turkey indirectly, and as a result, the Prime Minister of the time, Süleyman Demirel, brought Turgut Özal, who took his economics education in the USA to be the Under secretariat of Prime Ministry for the Economic issues. January 24, 1980 was a turning point in Turkey's transition to the liberal economy because of January 24th decisions prepared by Turgut Özal. After the coup, Turgut Özal, the first Prime Minister of the period, preferred to govern the country both in the economy and in foreign policy with his unique behavior and as consequence Özal had faced many institutions. In this study, the impact of Turgut Özal's personal characteristics on foreign policy will be examined in the liberalism – conservatism context.

**Key Words:** Economy, Foreign Policy, Liberalism, Turgut Özal

### **ÖZ**

1980'li yılların başında Türkiye'de ki en büyük sorun ekonomik istikrarsızlıktı. Dünya genelinde yaşanan ekonomik kriz dolaylı yollardan Türkiye'yi de etkilemiş ve bunun sonucunda da dönemin Başbakanı Süleyman Demirel, Başbakanlık Müsteşarlığı'na Amerika da ekonomi eğitim alan Turgut Özal'ı getirmiştir. Turgut Özal tarafından 24 Ocak 1980'de hazırlanan 24 Ocak Kararları Türkiye'nin liberal ekonomiye geçişinde bir dönüm noktası olmuştur. Darbe Sonrası dönemin ilk Başbakanı olacak olan Turgut Özal gerek ekonomide gerekse dış politika da kendine özgü davranışları ile ülkeyi yönetmeyi tercih etmiş ve birçok kurumla karşı karşıya gelmiştir. Bu çalışmada Turgut Özal'ın kişisel özelliklerinin dış politikaya etkisi liberalizm- muhafazakârlık bağlamında ele alınarak Özal Dönemi Türkiye'si incelenecektir.

**Anahtar Kelimeler:** Ekonomi, Dış Politika, Liberalizm, Turgut Özal

### **1. INTRODUCTION**

Even if the foreign policy of a state is authentic and independent, it is directly intertwined with the relations between the neighboring and the non-neighboring states. The main events are; the Republic of Turkey has been through many turbulent periods since its foundation. The Second World War, military coups, embargoes and economic crises. The global economic crisis in the 1970s paved the way for the transition from social state to liberal market economy in Turkey.

In the early 1980s, economic instability was one of the important issues that posed a problem in Turkey. Prime Minister Süleyman Demirel brought Turgut Özal to the Undersecretariat of Prime Ministry. Turgut Özal was an experienced economist who had studied economics in America. 24 January decisions prepared by Turgut Özal have become a turning point in Turkey's transition to the liberal economy. (Oran, 2013)

The military coup on September 12, 1980 deeply affected Turkey's political life. Political parties were closed after the coup. In the first general elections after the coup, three newly formed parties were allowed to take part in the elections. One of them is Turgut Özal's Party "Anavatan – ANAP"(Tuncer, 2017). In 1983, ANAP collected most of the votes and Turgut Özal's party was the sole power.

Turgut Özal, the twenty-fifth Prime Minister and the eighth president of the Republic of Turkey, is one of the leaders who have left his prints in Turkish political history. Turgut Özal has gone beyond the usual "leader" type because of both domestic and foreign policy practices.

In this study, the role of the personal characteristics of Turgut Özal, one of the most important leaders in the direction of Turkish political life, in the understanding of foreign policy, will be examined. The period of 1983-1993, known as "Özallı Yıllar", will be discussed. The question will be asked whether or not the personal characteristics of Turgut Özal have an impact on foreign policy structring.

In the first and second parts of the study, theoretical details about liberalism and conservatism will be given and the processes of the concept of liberal – conservatism will be explained in Turkey. Afterwards, the 1980 military coup and the 1983 election process in which Turgut Özal was the sole power will be elaborated. .

Finally the Turkish foreign policy of Özal's period will be examined, and Özal's personal characteristics reflect in the foreign policy at the time, both by scanning archives and by examining their own rhetoric.

Özal, by synthesizing liberal politics and economics with conservative values, has realized a liberal - conservative understanding comprehension in Turkey. Özal is a politician who tries to act according to the needs of the era, who is conservative, who believes in liberal values and who can not show the same dimension in practice. In this study, the impact of Özal's personal characteristics on foreign policy will be taken into consideration in the context of liberalism - conservatism and in the context of the research, memories, speech texts, news and columnists and academic articles and books will be utilized.

## 2. LIBERAL-CONSERVATISM

Liberalism is essentially a political doctrine as a modern ideology. It frees individuals to form their own organisations and groups and to create a philosophy of life for themselves. Liberalism, which takes priority of the mind, sees a good attitude guide at the individual level of mind, but does not look hot to the rule of a besieged mind at the community level (Erdogan, 2005).

Liberalism is morally based on individualist liberalism, roughly the individual, individual freedom and human rights; constitutionalism and the rule of law; a political program shaped around basic principles such as limited state, neutral state, private property and market economy (Duverger, 2003).

According to classical liberal thinking, the subject of Will is not a Nation, community or group, but as a person. Liberalism also adopts constitutionalism as a principle in order to secure individual freedom and liberal rights and to limit the power of the state in this context. Furthermore, in order to secure fundamental rights and freedoms, it attaches great importance to the rule of law, which is the name of restricting the power of the state with predetermined rules (Scruton, 1983) .

Classical liberal thought, in addition to the principles of constitutionalism and the rule of law, defends the "limited state". The duties of the state are limited by the provision of national defence, internal security, public order and Justice. He argues that in order for an individual to realize himself with subjective values, the state should not interfere with the devaluation of public life and should be neutral in this context. Liberalism; recognizing that economic freedom creates individual freedom - in line with the limited state principle - it considers the market economy one of the most fundamental characteristics (Rowely,1978) .

Conservative thinking, which cares more about its historical experience than "the way of the mind", is also influenced by the Industrial Revolution. it has emerged as a response to a series of rapid changes and changes that emerged in the 20th century. Therefore, the conservative thought is an objection to the movement of enlightenment, to the understanding of the capitalist economy and to the changing understanding of the bourgeois class. Classical conservatism, which has placed spontaneous change on the basis of philosophical thought, is a pejorative function to capitalism and industry. It is far from liberalism because it aliens with values such as honor, loyalty, honesty and community interest, and because it corrupts local values (Beneton, 1991).

From this point of view, it is possible to say that conservatism considers traditional values as the basis of social integrity and contains a perception that the intervention towards them has a detrimental effect on this integrity.

The classic conservatism, fed by the reaction to bourgeois liberation, is the 20th century. Since the second half of the century, neo-conservatism has replaced the bourgeois order of society. The new social, economic and political order created by neo-liberalism and neo-conservatism is also called liberal-conservatism or the new right. This new paradigm, with its emphasis on the stability of social and political order,; the market economy approaches liberalism with its emphasis on negative freedoms and limited political stability (Küçükalp, 2009).

In other words, liberal-conservatism is based on the logic of “powerful state” with emphasizing on liberal values and “free economy” and conservative values. Liberal-conservatism or the new right-wing ideas, the Keynesian welfare state policies which were implemented as a remedy for the great economic crisis in 1929, were adopted in the second half of the 20th century. The Keynesian welfare policy came up as a solution to the economic, social and political problems caused by its loss of importance after World War II. These two approaches, which seem to be contrary to each other in terms of the values they advocate, have been re-interpreted and articulated with each other in the form of synthesizing liberal market economy and conservative values (Aksoy, 1998).

### **2.1. Liberal - Conservatism in Turkey**

Liberal ideas in Turkey began to be effective since the mid-nineteenth century, but with the emergence of the Democratic Party (DP) under the leadership of Adnan Menderes, it gained a political identity after 1950. While the centre-right parties attach importance to conservative/religious values and symbols, they also attach great importance to economic development. However, this understanding did not show the same warmth to political and ideological non-governmental organizations while considering economic organizations in the civil sphere. From the free party to the Democratic Party, from the Justice Party to the Motherland Party and the Right Road Party (DYP), there is a constant difference between liberal-conservative political cadres and their bases. The administrative staff consists of people who have internalized the values of the westernized modern world and who have passed the Republican state. The idea structures are similar to those of the conservative-Christian Democrat Party leaders of Western Europe, where religion is mostly lived in the individual world (Insel, 1990).

During the single party period, dominant state capitalism was flexed with DP power, and although free market conditions were reached, the substitution state mentality of imported economy continued to dominate until the early 1980s. In particular, during 1977-79 Ecevit's rule, the country was in great trouble with its low production, lack of goods and the black market. At the same time, the balance of payment was not at the equilibrium accompanied by bottleneck in the foreign exchange, and the economic crisis leading in 1979 led to political instability and turbulence. In May-June, TÜSIAD (Turkish industrialists ' and businessmen's Association) announced its statement to newspapers, emphasized on the importance of the need to transition to liberal economy (Elma, 1996).

Upon these developments, the Demirel government, which won the midterm elections on October 14, 1979, took the “24 January decisions” which would transform the economy into the market economy on January 24, 1980 under the responsibility of Turgut Özal. The decisions taken on January 24 have shaken the root of the current state policies and started the liberal economy period in Turkey. Export-oriented economic policy has been started and the economy has liberalized to a large extent (Heper, 2011).

Eight months after the January 24 decisions, the soldiers seized the administration. While the Democratic political institutions were liquidated, a new government was formed under the leadership of the military administration on September 21, 1980 under the chairmanship of a retired Admiral, Bülent Ulusu. In this government Turgut Özal was appointed as deputy prime minister responsible for the economy. Özal, addressed the military that if the economic program prepared by him (24 January decisions) is not implemented, the economy will suffer a huge loss. On top of that, Özal was given complete freedom to address the country's economic problems (Ahmad, 1995).

The authoritarian and anti-political attitude of the September 12 military coup was used by Özal and the neo-liberal policies were implemented more efficiently. Because of the impact of the “communist danger” before 1980, ANAP had gained a state-based understanding of the “reformist” and an economic understanding (Zengin, 2009).

### 3. 1980 MILITARY COUP AND 1983 ELECTIONS

After the coup of May 27, 1960 and the memorandum of 12 March 1971 on the history of the Republic of Turkey, on September 12, 1980, the military put an end to the existence of the civilian government of Prime Minister Süleyman Demirel. Military forces had once again taken over. In addition to the Parliament, all political parties have been abolished, all leaders had been detained and some had been tried together with many deputies. The September 12 military coup has brought a different perspective to Turkey's political life. The country was governed by the Bülent Ulusu, a retired general, until November 6, 1983. (Can,2006).

The military administration, which made extensive and profound changes in almost every aspect of Turkish life as of September 12, has not only touched two areas of activity, such as foreign policy and the economic stability program implemented by the Demirel government on January 24, 1980 (Ahmad, 2002). One of the significant developments in the period of September 12 is the abolition of the 1961 constitution which narrowed its borders on March 12, 1971 and the preparation of 1982 constitution and put into force.

When political life formed by the new constitution began to regain its shape, the new leading actors started to become political actors again gradually. However, the sovereignty of the National Security Council is still continuing in this period. By passing the control and approval of the National Security Council, it was possible to take the lead in Turkish politics. The National Security Council decided to hold general elections in 1983 and used the dam and veto system mechanism to implement a limited multi-party system.

On November 7, 1982, with the referendum of 12 September, Kenan Evren elected president, Demirel, Ecevit, Türkeş and Erbakan were banned for ten years..

The elections of November 1983 are significant in the Turkish modern history. They took place after three years of military rule, during which the entire political structure was completely altered. The three parties were the Nationalist Democracy Party (MDP), the Motherland Party (ANAP) and the Populist party. The leaders of all three parties came out of the post September 12 regime (Ahmad, 1984).

As a result of the November 6, 1983 elections, ANAP, led by Turgut Özal, became the sole power. Özal, who received the support of large capital circles within the country, became the USA's most important support abroad. On the other hand, Özal's involvement in the Nakshibendi sect and religious tendencies did not disturb the United States. During this period, they regarded a moderate generation of Islam as necessary in the struggle against communism. Özal took foreign policy decisions personally and regarded the Ministry of Foreign Affairs as the only foreign policy implementation tool. The focus of Özal's foreign policy was the economic relations. Özal tried to establish close political and military relations with the USA in order to get economic assistance, open the American market to Turkish textile products and attract foreign capital. (Tuncer, 2017).

### 4. TURGUT ÖZAL'S UNDERSTANDING OF FOREIGN POLICY AND FOREIGN POLICY

Turgut Özal was a critical figure in Turkey's transition to a neo-liberal development model in the 1980s. An adequate account of Özal's legacy, therefore, has to encompass a number of different dimensions of his influence not only in the economic field but also the transformations that Turkey had gone through in the spheres of politics, culture and foreign policy initiatives in the post 1980 era (Öniş, 2004).

When Turgut Özal became prime minister, his priority was "economy". Özal advocated the determination of foreign policy based on economic foundations. In other words, Özal aimed to determine a foreign policy taking into account the economic needs of Turkey. Özal has also acted on the economy in its relations with other countries and therefore has developed its economic relations with the Arab countries (Tuncer, 2017, p. 611). Behind Özal's foreign policy, there was the idea of creating a peace and reconciliation zone around Turkey until achieving the economic transformation in Turkey.

Özal felt that economic cooperation between countries and personal friendships among the leaders of the country were of great importance in the elimination of political disputes and in the improvement of political relations. Özal, did not respond to the problems, he was a leader who can act to solve of the problems, who can handle the initiative, who tried to reflect the image of the country to the Western world.

In Turkey, both the military administration in power between 1980-1983, and then the ANAP administration in power between 1983-1989, adopted "Moderate Islam" as the basic ideology inside. In foreign policy, as it moved away from Europe, it was connected to the United States and developed its relations with the "Green Belt" countries. In particular, political and economic relations with Saudi Arabia,

Bahrain, Qatar, Kuwait, United Arab Emirates and Oman (Tuncer, 2017, 615) were developed in the Özal period.

When Turkey's relations with the Middle East and the Islamic world are examined, it is seen that economic and trade relations come to the fore. According to Özal's understanding of foreign policy, Turkey should first develop economic cooperation in its region, increase interdependence and thus minimize the risks of conflict (Gözen, 2006, p.11, 100).

Özal believed that establishing close relations with the United States would be more beneficial for the United States to pursue pro-Turkey policies. Therefore, Özal tried to improve Turkish-American relations and exerted efforts to improve economic relations. Özal's the US and Middle East oriented foreign policy was aimed at making Turkey an important country in the Middle East with the US support.

Özal's pragmatic understanding of politics has shown itself most in foreign policy. For example, in 1987, when he applied to enter the European Union, he argued that Turkey had problems with democratization and that it wanted to be a part of Europe. However, Turkey's exports to Middle East countries at the time dropped and a large current account deficit. In this respect, to compensate the deficit Özal, directed towards Europe (Bora, 2005,591).

Another issue that needs to be emphasized on is that Özal's understanding of foreign policy is that he tries to direct it in foreign policy alone. Both in diplomatic negotiations and abroad, he has performed many acts that eroded traditional Turkish foreign policy. Instead of the prime minister, instead of the foreign bureaucracy bypassing the president acted as president. Some of his performances in this direction are as follows: (Oran, 2015, 48-100).

1. In a statement to the Press that the MIT and Foreign Affairs were continuing their investigations in order to solve the problems experienced with Greece in the first years of its power, the Greek Cypriot citizens unilaterally declared that the visa had been lifted and the relevant institutions of the state were able to learn from the press the following day.
2. In 1989, the minister of Foreign Affairs Mesut Yılmaz, who was the Minister of foreign affairs of the Republic of Turkey, had made many declarations to the press and the public without consulting the Ministry of Foreign Affairs and without informing them about the refugees who emigrated from Bulgaria.
3. During the Gulf War in 1991, the Kerkük-Yumurtalık oil pipeline had to be closed again, bypassing the foreign bureaucracy and declared it to the press alone.
4. In his official meeting with George Bush during his visit to the United States, the US Secretary of State was present, and instead of the Turkish Foreign Minister Ozal's special pen director, Ali Bozer resigned.
5. At a time when the Gulf War broke out, CNN told the reporter that the Incirlik base and some airports could be allocated to U.S. aircraft in the face of the possibility of war.

## 5. CONCLUSION

While the 1980s were the period of neoliberal practices in the world, liberalism in Turkey, which could not stay away from the impact of external exposure, was seriously brought up with stability measures known as 24 January 1980 resolutions. With this economic policy, it was aimed to open the economy to foreign competition, encourage foreign capital, increase foreign sales, shrink the state sector in the economy, minimize state interventions, encourage and support the capital accumulation of the private sector, and finally to ensure the free functioning of the market mechanisms.

According to Özal, market economy is the economic development it is the only way. Its two basic facts are Conservative and national values of social integration. Creating an important dimension of conservatism, he had a modern approach regarding religion and religious values.

Turgut Özal's charismatic personality and leadership were the factors affecting the changes in Turkish foreign policy in the 1980s and early 1990s. Özal's personality and leadership led to restructuring Turkish foreign policy.

Özal was reformist and open to innovation, as well as a religious and conservative. His conservative integrity policy is more social and cultural than political and ideological.

However, in Özal's economic performance, the conservative did not hesitate to grant explicit privileges to the sector. As a matter of fact, it is known that a conservative in the public opinion is known as "Green

Capital” or “Anatolian Tigers” and developed independently of Istanbul and Ankara capital, the bourgeois class is supported by Özal.

Özal attaches high importance to liberal economy such as freedom of enterprise, free market and privatization in its applications and had achieved significant successes in this field. On political liberalism, such as freedom of thought, pluralism and civil society, it had not been as successful as it is in economic liberalism. It is possible to assess Özal's application of political liberalism in three ways: first, the conservative identity often precedes his liberal identity. Second, Özal came to power after a coup and practiced politics at a time when the tradition of intervening in politics of the military that existed in Turkish politics from time to time continued. Third, he is a politician of the period of “low-intensity war” in which the Kurdish opposition was engaged in armed struggle. Despite his conservative identity, Özal has virtually encouraged illegal practices with expressions like “*my clerk knows his job*”, which did not show the necessary sensitivity regarding favoritism, torpedoes, patronage relations and corruption. In this sense, he failed to demonstrate the necessary success in moral liberalism (Uluç 2014).

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