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AUTHORITARIAN STATISM, STATE-CAPITAL DYNAMICS, AND THE STRATEGIC GROWTH OF THE TURKISH DEFENSE INDUSTRY POST-2008

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APPROVAL

The Master's Thesis/Graduation Project titled **"AUTHORITARIAN STATISM, STATE-CAPITAL DYNAMICS, AND THE STRATEGIC GROWTH OF THE TURKISH DEFENSE INDUSTRY POST-2008"**, prepared by **SALİH SOYSAL**, has been approved by our jury.

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DECLARATION ON RESEARCH ETHICS AND PUBLISHING METHODS

I, SALİH SOYSAL; hereby declare

- that this Master of Arts that I have submitted is entirely my own work and I have cited and referenced all material and results that are not my own in accordance with the rules;
- that this Master of Arts does not contain any material from any research submitted or accepted to obtain a degree or diploma at another educational institution;
- and that I commit and undertake to follow the "Kadir Has University Academic Codes of Conduct" prepared in accordance with the "Higher Education Council Codes of Conduct".

In addition, I acknowledge that any claim of irregularity that may arise in relation to this work will result in a disciplinary action in accordance with the university legislation.

SALİH SOYSAL

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Date (01/01/2025)

To those who are incapable of being loved…

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This thesis was written with the belief that producing an academic work worthy of debate is more valuable than merely repeating existing knowledge. The arguments put forward here can, of course, be discussed through different theories and worldviews. However, I believe that academic production should resemble a radical and uncompromising pursuit of truth. From this perspective, this academic work must be open to debate, with all its errors and merits, and, if necessary, be dismantled and restructured. It is preferable that anyone reading this thesis for any reason approaches it with a critical mindset, questioning the way concepts and events are addressed.

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AUTHORITARIAN STATISM, STATE-CAPITAL DYNAMICS, AND THE STRATEGIC GROWTH OF THE TURKISH DEFENSE INDUSTRY POST-2008

ABSTRACT

This thesis explores the nexus between neoliberalism and authoritarianism through the lens of Turkey's defense industry, focusing on its expansion under the AKP administration. Drawing on Poulantzas's concept of authoritarian statism, the study examines how state-capital relations evolved within the neoliberal framework, particularly after the 2008 global economic crisis. Neoliberalism's paradoxical use of state power to redistribute capital underlines its transformation from a purely market-oriented ideology to a mechanism for consolidating political and economic control. The AKP's use of clienteles networks in the defense sector exemplifies this shift, with capital reallocation aligning state resources with politically favorable factions. The defense industry provides a unique case study due to its rapid growth, reliance on state enterprises, and strategic importance. By tracing its development from the early Republican period to the AKP era, the research highlights the interplay between economic policies and authoritarian governance. This study critiques neoliberalism's erosion of democratic institutions and its role in fostering social inequality and centralizing economic power. The research employs a political economy framework, utilizing government documents, academic literature, and performance reports to analyze the transformation of the defense sector and its implications. It further connects these domestic dynamics to shifts in Turkey's foreign policy, marked by a more assertive international stance. This thesis contributes to the literature by reframing authoritarian neoliberalism as a strategy of capital reallocation, illustrating its profound impact on governance, economic equity, and geopolitical behavior.

Keywords: Authoritarian Statism, Defense Industry, State-Capital Relations, Neoliberalism

OTORİTER DEVLETÇİLİK VE 2008 SONRASI TÜRK SAVUNMA SANAYİSİNDE DEVLET-SERMAYE DİNAMİKLERİ VE STRATEJİK BÜYÜME

ÖZET

Bu tez, neoliberalizm ve otoriterlik arasındaki ilişkiyi, Türkiye'nin savunma sanayiindeki genişleme üzerinden incelemektedir. Poulantzas'ın "otoriter devletçilik" kavramından yola çıkan çalışma, özellikle 2008 küresel ekonomik krizinin ardından devlet ve sermaye ilişkilerinin neoliberal çerçevede nasıl evrildiğini analiz etmektedir. Neoliberalizmin, yalnızca piyasa odaklı bir ideolojiden siyasi ve ekonomik kontrolü pekiştiren bir mekanizmaya dönüşerek devlet gücünü sermayeyi yeniden dağıtmak için kullanması, bu dönüşümün temelini oluşturmaktadır. AKP'nin savunma sektöründe müşteri odaklı ağları kullanması, bu değişimin somut bir örneği olup, devlet kaynaklarının siyasi olarak avantajlı gruplara tahsis edilmesi sürecini yansıtmaktadır. Savunma sanayi, hızlı büyümesi, devlet işletmelerine bağımlılığı ve stratejik önemi nedeniyle benzersiz bir inceleme alanı sunmaktadır. Erken Cumhuriyet döneminden AKP dönemine kadar uzanan bir tarihsel perspektifte, bu sektörün gelişimini izleyen araştırma, ekonomik politikalar ile otoriter yönetim arasındaki ilişkiyi vurgulamaktadır. Çalışma, neoliberalizmin demokratik kurumları zayıflatmasını ve sosyal eşitsizliği artırarak ekonomik gücü merkezileştirmesini eleştirel bir şekilde ele almaktadır. Araştırma, siyasi ekonomi çerçevesini kullanarak hükümet belgeleri, akademik literatür ve performans raporları gibi kaynaklardan yararlanmakta ve savunma sektöründeki dönüşümü analiz etmektedir. Ayrıca, bu iç dinamiklerin Türkiye'nin daha iddialı bir dış politika duruşuna nasıl katkıda bulunduğunu incelemektedir. Bu tez, otoriter neoliberalizmi sermaye yeniden tahsisi stratejisi olarak yeniden çerçeveleyerek, yönetim, ekonomik eşitlik ve jeopolitik davranış üzerindeki derin etkilerini ortaya koyarak literatüre katkı sağlamaktadır.

Anahtar Sözcükler: Devlet-Sermaye İlişkisi, Otoriter Devletçilik, Neoliberalism, Savunma Sanayi

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AKP	Justice and Development Party (Adalet ve Kalkınma Partisi)
ASELSAN	Military Electronic Industries (Askeri Elektronik Sanayi)
CHP	Republican People's Party (Cumhuriyetçi Halk Partisi)
FNSS	FMC-NUROL Defence Systems Inc.
FMF	Foreingn Military Financing
FMS	Foreign Military Sales
ISIS	Islamic State of Iraq and Syria
MİKES	Microwave and Electronic Systems Inc. (Mikrodalga Elektronik Sistemler Sanayi ve Ticaret Anonim Şirketi)
MİT	National Intelligence Organization (Milli İstihbarat Teşkilatı)
MMU	National Combat Aircraft (Milli Muharip Uçak)
MSB	Ministry of National Defence (Milli Savunma Bakanlığı)
NATO	North Atlantic Treaty Organization
PKK	Kurdistan Workers' Party (Partiya Karkeren Kurdistane)
PYD	Democratic Union Party (Partiya Yekitiya Demokrat)
SAGEB	Defence Industry Development and Support Administration Office (Savunma Sanayii Geliştirme ve Destekleme İdaresi Başkanlığı)
SaSaD	Defence and Aerospace Industry Manufacturers Association (Savunma ve Havacılık Sanayii İmalatçılar Derneği)
SIPRI	Stockholm International Peace Research Institute
SOE	State-Owned Enterprises
SSB	Presidency of Defence Industries (Savunma Sanayii Başkanlığı)

SSDF	Defence Industry Support Fund (Savunma Sanayii Destekleme Fonu)
SDİGM	General Directorate of Defense Equipment Enterprises (Savunma Donatım İşletmeleri Genel Müdürlüğü)
SSİK	Executive Committee of Defence Industries (Savunma Sanayii İcra Komitesi)
SSM	Undersecretariat of Defence Industries (Savunma Sanayii Müsteşarlığı)
TAF	Turkish Armed Forces
TAI	Turkish Aerospace Industries
TBMM	Grand National Assembly of Turkey (Türkiye Büyük Millet Meclisi)
TOMA	Riot Control Vehicles (Toplumsal Olaylara Müdahale Aracı)
TSKGV	Foundation for Empowering Turkish Armed Forces (Türk Silahlı Kuvvetlerini Güçlendirme Vakfı)
TUSAŞ	Turkish Aerospace Industries Inc. (Türk Havacılık ve Uzay Sanayii Anonim Şirketi)

1. INTRODUCTION

The neoliberal paradigm stands as the dominant articulation of economic thought, exerting profound influence over social and political trajectories. Although neoliberalism has diverse and wide usages and definitions in terms of both economic transformation of the state and the society, it systematically marginalizes alternative economic models by prioritizing efficiency and profit-making, a process intricately tied to the multifaceted crises confronting the today's world. Appearing as a response to the economic crises of the 1970s, neoliberalism became a pivotal economic formulation during the 1980s, marked by the degradation of the welfare state. It advocated for the withdrawal of the state and its interventions from the free market, with the aim of fostering economic growth and stability within a liberal economy. The impact of neoliberalization, therefore, does not only consist of mere economic concerns such as fiscal and monetary policies aimed at ensuring price stability and curbing inflation and so on, but also reshapes the state itself, reconfiguring social structures and modes of production in ways that favor the bourgeoisie.

Glancing at the historical development of *'making liberalism into neoliberalism'* not only consists of economic determination by the state but also includes the inner dynamics of the post-WW2 period, the political and economic competition between the United States and the Soviet Union, and, of course, the ideological cleavage during the Cold War period. Therefore, tracking back the *"...actually existing neoliberalism"* (Wacquant 2012) has become a challenging peregrination through which the antipodal inconsistencies between definitions and implementations of neoliberalism are apparent. To explore this *semantic shift*, considering the interchangeable theoretical indications of neoliberalism and liberalism, we must rapidly revisit their roots.

The core principles of liberalism rely on the right to private property, the belief in rational individuals who make logical choices based on their own knowledge and effort, and, above all, the hypothetical space where all decisions of rational individuals intersect with private property and goods (Henry 2010, 543). Furthermore, all players in the market

must have access to property, which creates a competitive market where optimal outcomes are produced. Furthermore, ideal outcomes align with the dynamics of the 'free market,' which serves as the primary mechanism for determining prices. The state should limit its intervention in market dynamics to avoid disrupting the natural pricing mechanisms set up by the invisible hand.

In contrast to the simplistic liberal concept that the economy driven by logical choices made by small organizations and individuals with capital, historical events have shown significant disparities between theory and reality. A deluge of criticism, often emanating from heterodox economists, surfaced, particularly following the rise of the monopolistic market and the development of large-scale, non-competitive markets in the years preceding the First World War. The classical liberal narrative gradually declined after World War II due to increasing investments in the welfare state and expanded state intervention, particularly with the adoption of the Keynesian economic model. British economist John Maynard Keynes revolutionized economic discourse by challenging the dominant notion that free markets inherently provide full employment, assuming wage flexibility among workers. Keynesian theory asserts that the primary driving force in an economy is aggregate demand, which encompasses the total spending of consumers, firms, and the government. Keynesian theory indicates that free markets lack the self-regulating mechanisms necessary to ensure full employment. Consequently, Keynesian economists advocate for government intervention through public policies aimed at achieving full employment and ensuring price stability (Blinder 1988).

Due to the decline in the power of liberal ideology, various liberal philosophers mounted a counteroffensive to defend liberal ideas and the classical principles of economic theory. In this context, the International Walter Lippmann Colloquium was held in Paris in 1938, where the term 'neoliberalism' was suggested by Alexander Rüstow (Mączyńska and Pysz 2015, 20) Similarly, the Mont Pelerin Society, founded in 1947 by Friedrich von Hayek, aimed to restore the tarnished reputation of liberalism and free market economics, and to help establish a stronger and more stable form of liberalism after World War II (Peters 2023). The Chicago School of Economics exerted a profound and far-reaching influence on several South American countries, particularly those with a robust inclination toward neoliberalism. This intellectual movement catalyzed the emergence of a group of Chilean

students at the University of Chicago, later known as the Chicago Boys, who deeply admired the ideological contributions of figures like F. A. von Hayek and Milton Friedman. This cadre became instrumental within the government, orchestrating the economic liberalization policies that were implemented in the wake of Pinochet's 1973 coup. The payments crisis that struck Chile in the 1980s served as a crucible for testing the practical application of neoliberal economic doctrines. Furthermore, this historic experiences galvanized Ronald Reagan and Margaret Thatcher to rigorously pursue a structured neoliberal agenda across the United States and Europe. The era of Keynesian economics and welfare state policies in Europe has decisively concluded, as underscored by Margaret Thatcher's TINA proclamation—"there is no alternative." This phrase stands as the most articulate embodiment of the notion that neoliberal economic policies and the expansion of free trade are the sole viable pathways forward. While neoliberalism retains some ties to classical liberalism, it paradoxically permits state intervention in addressing capital and distribution challenges through macroeconomic strategies. However, the state will re-emerge as a tool for suppressing labor and union movements, particularly in their resistance against capital.

In light of the succinct overview of the historical background of these terms, the neoliberalism can be explained as follows: a wave or set of market-oriented public policies – thus implying a stronger and not weaker role of states — influenced by this set of ideas and kept more or less coherently together by a political project is to dismantle redistributive Keynesian and welfare regimes suppressing the labor power, and implementing structural measure such as fiscal discipline, liberalization of international trade, entry of foreign direct investment, privatization and deregulation imposed by ‘unholy trinity of capitalism’ which are IMF, World Bank and World Trade Organization in order to obligate the Washington Consensus paradigm especially in Global South (Steger and Roy 2021; Eagleton-Pierce 2016; Wacquant 2012; Venugopal 2015; Davidson 2018; Harvey 2007; Lepori 2020). Upon careful examination of the forty-year trajectory of neoliberalism, it becomes increasingly clear that this economic and political strategy has led to a range of negative consequences. These include a significant reduction in minimum wages and a substantial weakening of labor unions, which has diminished workers' negotiating power. Additionally, there have been deliberate attacks on human

rights, manifesting as various forms of social and economic injustice. The environmental repercussions have been severe, with notable ecological damage resulting from aggressive development plans that prioritize economic expansion over sustainability. Moreover, neoliberalism has fostered a centralized authoritarian tendency, facilitating the manipulation and alteration of state regimes to better serve corporate interests and entrench economic inequalities. These outcomes collectively illustrate a broader trend of neoliberal policies undermining social justice and environmental stewardship.

One of the first indications about the link between the neoliberalism and the authoritarianism firstly introduced by Nicos Poulantzas who had previously studied exceptional capitalist state regimes so as to understand the dynamics between capital and state. During the 1970s before the dawn of the neoliberal transformation, Poulantzas argued that the state will be in a lane through which the authoritarian tendencies are likely to condensed in terms of both social formation and state regimes itself (Nicos Poulantzas 1978b; Türk and Karahanoğulları 2019; Jessop 2011). Stuart Hall's influential work centers on the idea that Thatcherism is built on 'authoritarian populism'. Hall argues that AP effectively channels widespread dissatisfaction with the post-war economic and political system, uniting it around a right-wing, authoritarian response to Britain's current economic and political crisis (Hall 1981a; Jessop et al. 1985).

A link existed between the literature promoting authoritarian states and the subsequent neoliberal rhetoric that appeared after the economic crisis of 2007 (Fabry 2019; Bruff 2016; Yalman 2021; Tansel 2017; Bruff 2012; Bruff and Tansel 2019; Mylonas 2020; Altınörs and Akçay 2022; Bozkurt-Güngen 2018; Gallo 2021). The main contention is that the autocratic inclinations inside the political structure are evident in the state's efforts to deal with the 2008 economic crisis. The notion of "authoritarian neoliberalism" suggests that during the 2007 economic crisis, *ħeoliberalism lost its dominant influence"* and the state adopted a more authoritarian identity via the transformation of all governmental apparatuses (Bruff 2016; 2014; Bruff and Tansel 2019). In reaction to economic crises, governments have adopted a more authoritarian approach, transforming public and populist constitutional regulations into market-oriented measures that promote the private sector. This policy move represents a continuation of the detrimental waves of privatization that governments had previously organized.

A number of criticisms have been leveled against the concept and its relevance in respect to the purported 2008 crisis, notwithstanding the extensive investigation that will take place in the following parts. The fundamental difference between these accusations is that wheaten authoritarianism is an inevitable byproduct of neoliberalism (Ryan 2019; Altınörs and Akçay 2022; Özden, Akça, and Bekmen 2014; Fabry 2019). While some contend that the literature on neoliberalism does not reflect a new period, others maintain that the authoritarianism that surfaced during 2008 is distinct from the broader societal shift that occurred following 1980. This study will use the term authoritarian neoliberalism to describe the time period that occurred after 2008. Additionally, it will analyze and critique the origins of this notion as well as its subsequent assertions.

The other discussion reincarnated after the 2008 economic crisis is the *crony capitalism* which is generally conceived as a system in which individuals with privileged access to political authorities—who are responsible for crafting and implementing policies—are granted economically advantageous favors. These favors permit politically connected entities to achieve returns that surpass those that would prevail in a market where the pricing of production factors is governed solely by market forces (Munger and Villarreal-Diaz 2019; Li, Roland, and Xie 2022)

In sum, the neoliberalism is an eclectic theory to cover all corners of the social sciences in terms of the formation of the economy, the regime configurations, and social dynamics of the state. The concept's theoretical significance stems from its potential to cause profound and far-reaching transformations across several aspects of society, encompassing politics, social dynamics, and policymaking. Although there are variations in the rate and pattern of change according to cultural and regional factors, neoliberalism continues to be perceived as “there is no alternative,” and its detrimental effects are spreading immensely.

1.1 Aim of the Research

This research seeks to analyze the underlying factors that have propelled the significant growth of the Turkish Defense Industry over the past two decades. It specifically delves into Poulantzas's concept of authoritarian statism and examines how the relationship

between the state and capital in Turkey has evolved within the neoliberal framework following the 2008 global economic crisis. The defense industry has been selected as the focal point of this study for several compelling reasons: the remarkable pace of its expansion, the pivotal role of state economic enterprises which hold a dominant position within the sector, the inherently limited access to this field due to the necessity of possessing extensive and specialized knowledge, and the fact that it offers a concentrated and well-defined lens through which to scrutinize the state-capital relationship. This analysis will explore the intricate clientelist networks that have developed between the state and various capital groups and fractions within the defense sector. Additionally, it will investigate the authoritarian strategies employed by the state to control and manage these groups, ensuring their alignment with broader state objectives. However, this study will also engage in a critical discussion on whether the sector's growth can be considered genuinely successful, beyond the mere identification of whether it arises from clientelist or authoritarian inclinations. Furthermore, the paper will provide a nuanced examination of the evolving dynamics between the state and capital in the realm of Turkish Foreign Policy, considering how shifts within the defense industry may reflect broader changes in Turkey's international strategic posture.

1.2 Contribution to the Literature

This thesis suggests a novel approach to understanding authoritarianism in the aftermath of the 2008 crisis by reinterpreting it within the framework of a broader capital-state pendulum. First of all, the thesis argues that neoliberal period is entirely tied to the state's distribution strategy in the context of enhancing the authoritarian identity of the legislative and judicial processes in order to more quickly and easily distribute state-controlled capital (developmentalist projects, mega infrastructural projects, and so on) to the factions with which it perceives itself as deeply connected and politically and ideologically close. In essence, the primary features of the neoliberalism after 2008 are not about being more authoritarian, but rather the strategy of the reallocation and allocation of capital. Prior to the 2008 economic crisis, Turkey undertook extensive privatizations under the ideology of neoliberalism. The Public Procurement Law was intended to establish "free market" conditions. However, in line with neoliberal policies, significant efforts were made to transfer ownership of companies from the state to the

private sector. Since 2002, the Public Procurement Law has undergone 191 amendments, leading to the establishment of closed bids and irregular tenders (Toker 2021). The primary objective of these irregularities was to allocate a significant portion of the state's capital to factions within the private sector that shared close political and ideological ties with the state. This process aligns with Bekmen's concept of the "Parcelled State," (Bekmen 2023) where the state becomes a battleground for overt conflicts among power networks that have developed direct connections with official institutions, political organizations, and civil society. The fragmentation, or division, of governmental apparatuses has triggered a crisis within the state itself. From this perspective, the intra-state crisis manifests not only in the political realm, particularly among state apparatuses, but also in the economic realm, among the capital groupings represented by these political factions. The government categorizes the economic sphere into specific groupings and executes the distribution of resources swiftly and decisively. The primary motive behind the state's adoption of authoritarian tendencies is to strengthen its control over capital, thereby facilitating the execution of this divisive process.

1.3 Area of the Research

This thesis examines the rapid expansion of Turkey's defense industry during the AKP administration, with a specific focus on the changes in capital relationships within this sector. In order to gain a thorough understanding of these changes, we will analyze the historical progression of the Turkish defense industry across several significant periods: the early Republican period, the post-World War II era, the period following the Cyprus Peace Operation, and the AKP era. This study will examine the political economics that underlies the progress and transformation of the defense sector during these times, rather than just documenting accomplishments. This analysis will compare the trends and patterns observed in historical phases to those seen during the AKP era. It will provide a detailed examination of how clientelist relationships within the defense industry were organized. The thesis will contend that the AKP administration utilized these networks as a component of a more extensive distributional economy, restructuring the defense sector to conform to its political and economic goals.

1.4 Methodology

This thesis utilizes a thorough methodology that combines historical research and political economy to investigate the development of Turkey's defense industry, with a specific emphasis on the AKP administration. The research employs a wide array of sources, encompassing MA and PhD theses, scholarly papers, government plan documents, performance reports, and relevant literature. These materials offer a comprehensive basis for comprehending the sector's growth and the changes in capital relationships across different historical epochs. The research seeks to reveal the political economy that propels the growth of the defense sector and the establishment of clientelist relationships within this framework by combining and analyzing various sources.

1.5 Organization of the Study

The first section of this research will extensively explore the emergence of authoritarian statism a concept that combines neoliberal economic policies with authoritarian political practices in terms of the state-capital relations. This analysis will include a detailed examination of why the thesis especially chooses the authoritarian statism over the other concept making strong deliberation about both neoliberalization and state-capital relations but also the inclining authoritarian tendencies. Additionally, the concept of crony capitalism and competitive authoritarianism literature will be elucidated, highlighting its emphasis on centralized control and reduced democratic governance in favor of maintaining neoliberal economic reforms. This section will also engage in a critical discussion of neoliberalism, addressing key critiques such as its tendency to exacerbate social inequalities and undermine democratic institutions.

Following this theoretical foundation, the research will delve into the establishment and evolution of the Turkish Defense Industry. This section will trace the historical development of Turkey's defense sector, from its early stages to its current status as a significant player on the global stage. The analysis will explore the key policies, investments, and strategic decisions that have shaped the industry, highlighting the role of state intervention and private sector collaboration in fostering its growth. The subsequent section will critically evaluate the Turkish defense industry within the

framework of authoritarian statism. This evaluation will consider how the principles of authoritarian neoliberalism have influenced the development and operations of Turkey's defense sector. It will examine the intersection of economic policies and authoritarian governance in driving the industry's transformation, providing a critique of conventional international relations theories that often overlook these dynamics. By analyzing specific instances and policies, the study will illustrate how authoritarian neoliberalism has manifested in the Turkish context, particularly in the defense industry.

In the concluding section, the research will discuss the broader implications of these transformations on Turkish foreign policy. It will explore how the changes in the defense industry reflect and contribute to a revisionist transformation in Turkey's foreign policy, characterized by more assertive and independent stances. This discussion will also delve into the relationship between authoritarianism, neoliberalism, and developmentalism, particularly in the context of the defense sector's expansion. By linking these elements, the study will provide a comprehensive understanding of the connections between domestic industrial policies and broader geopolitical strategies, shedding light on the complex interplay between internal governance and external behavior.

2. A SYNOPSIS OF STATE – CAPITAL RELATIONS

Understanding the authoritarianism as a regime strategy to downtrodden the oppositions and its ideology is not meticulous attitude, and not having considered the relations in tandem with the state and the class struggles. The fallacious compherzations towards the authoritarianism rely on the fact that being ruling elites is mere gist of the political struggle that control economic, social, and public sphere through which establish the dominant ideology that people perceive the reality in a specific and controlled manner. "*Albeit seen as the society, the state, and its institutions being a monolithic and static geography on the surface, intense, fluid lava flows around shift the landscape above as they circulated down below"*(Álvaro García Linera 2019, 6).

Bruff's concept of Authoritarian Neoliberalism aims to succinctly capture the heightened manifestation of these inclinations, not only in Africa or Asia, but also in Europe. Following the 2008 global crisis, states sought to adopt a more authoritarian stance in order to mitigate the profound repercussions of the crisis (Bruff and Tansel 2019; Bruff 2014). The phenomena that these two ideas attempt to define are clearly related, despite the fact that they attempt to do so at sporadic times. There has been a degree of opposition against the idea of authoritarian neoliberalism and the connections it has originated. The central argument in these debates is that the history of neoliberalism does not need a second period labeled as authoritarianism. Some have even gone as far as to say that neoliberalism is intrinsically authoritarian (Šitera 2017; Ryan 2019). By reexamining the diagrams representing these two notions and reviewing the concepts and facts once more, we can establish a similar foundation for the development of authoritarian inclinations.

That in the middle of the 1970s, during the ongoing development of monopoly capitalism and its gradual inclusion of the world's nation states, "authoritarian statism" was now a new form of state, the possibility of democratic politics within capitalism had largely disappeared, and this new order is considered to be the "new normality" is undoubtedly one of the most significant contributions that Poulantzas made to the Marxist State theory (Karahanoğulları and Türk 2018, 405). Poulantzas produced the rigorous and mercies prediction regarding the transformation of the capitalist state formation in the late 1970s, when neoliberalism was in its primordial condition. This prediction was made in order to

buttress the goals of the current phase of capitalism within the context of the state, classes, and capitalist bloc. In the 1980s, neoliberalism emerged as a new economic prescription in buffer zones such as Asia, Africa, and Turkey. At the same time, the same prescriptions were given to countries in different geographical areas that had no connection with each other in terms of economic, social, and cultural aspects. This was done while adhering to the logic of "one size fits all" and the neoliberal transformation. The results did not turn out as desired, the monetary policies in these nations became unbalanced, the balance of payments and foreign debts increased, and the areas where the public sector emerged progressively turned into an area where capital were monopolized. With the exception of Turkey, Hungary, Georgia, and Greece, this predicament has primarily expressed itself in less developed countries in Africa and countries that are located in the middle of the continent. When viewed from this angle, it is possible to assert that authoritarian tendencies have been present in neoliberalism ever since it was first introduced.

2.1 Nicos Poulantzas, the Marxist State theory and Overall Discussions

Nicos Poulantzas's academic trajectory began with an exploration of Marxist legal philosophy and legal theory, inspired by Sartrean existentialism. He then focused on the nature of the capitalist state and political struggles within capitalist societies, influenced by the structural Marxism of Louis Althusser and Étienne Balibar. Additionally, he investigated the nature of fascism and military dictatorships, the evolving dynamics of imperialism and social class relations, and the role of political parties and social movements in modern capitalism. In his final works, Poulantzas addressed questions of political strategy for a democratic transition to democratic socialism (Jessop 2017, 188). According to Jessop, the emergence of economic crises in Europe during the 1960s and 1970s, coupled with the decline of left-wing movements, particularly their inability to confront the state, played a significant role in shaping political developments. Additionally, the consistent degradation in cooperation between the Union de la Gauche and the French Communist Party, eventually leading to the breakup of these political movements, prompted a reassessment of Marxist theories. These events influenced Poulantzas's work, which sought to develop a feasible political strategy for a transition to democratic socialism (Jessop 2017, 189–90).

At that period, the major discussions erupted between Ralph Miliband and Nicos Poulantzas that induced the serious deliberations about a return of state in political sciences and sociology, simultaneously dismantled the Marxist state theories *"into pieces that may never be reassembled"* (Barrow 2002, 3). The mainstay of these contradictions is not about conceptual or empirical disagreements about the nature of the capitalist state; rather, it is an epistemological dispute over the Marxist methodology that stems from whether one follows Miliband's instrumentalist theory of the state or Poulantzas's structuralist theory of the state, which was never confined exclusively to Miliband and Poulantzas, as other theorists and political sociologists have also been involved (Barrow 2002, 4) Overlooking both articulations of the capitalist state, it could be said that while Miliband positions Marx and Engels' *Communist Manifesto* as the cornerstone of Marxist political theory, Poulantzas views *Capital* as "the major theoretical work of Marxism. According to Barrow, this distinction not only highlights that Miliband and Poulantzas perceived different aspects of Marx's work but also underscores their divergent epistemological approaches to Marxian social science. Miliband's focus on empirical data collection contrasts sharply with Poulantzas's emphasis on the creation of theoretical concepts (Barrow 2002, 13) According to Miliband, the core framework of Marxist political theory is well-defined, while Marx provided the basis for socio-economic analysis, Lenin contributed insights into political dynamics, and Gramsci offered tools for understanding cultural and ideological aspects. He contends that it requires empirical and historical analysis to deepen its concepts to address s a key gap in Marxist political theories, which have traditionally accepted the theses of Marxist classics as "*self-evident"* (Barrow 2002, 10 Emphasis added). Miliband's articulation of Marxist state theory, according to his book *The State in the Capitalist Society* (Miliband 1969) leans into the instrumentalist view of the state, in which it is seen as, as it were, a *tool* used by the capitalist ruling class to maintain and enforce its dominance over society. Yet, describing the state as a *tool* might be theoretically correct the way in which the emphasizing the state as mere appendage of the ruling elites and capitalist class, however, it might not be epistemologically congenial since Miliband's understanding of state accentuates as " a nebulous entity" (Miliband 1969, 50); thus the state is not a thing, that does not exist. Thus, the state, according to Miliband, "a number of particular institution, which together constitute its realty, and which interact as parts of what may be called the state system"

(Miliband 1969, 48) Intrinsically, the state apparatuses such as legislative and executive authorities, civil-service bureaucracy, public corporations, military and police forces etc. play an important role in securing and maintaining the domination over social classes. However, the reflection of initiatives of capitalist classes through institutional accord by the means of which is not only ideologically represented; instead, capitalist have a direct influence on the state by having legislative power, advocating to the executive breaches for their interests and also staffing some representatives on commissions and regulatory boards and on the latter, suggest and past bills during legislative sessions (Das, 1996, p. 29).Nevertheless, the influence of individuals is also significant, as the state tends to staff individuals from among the ruling elites or those aligned with them.

On the other hand, according to Poulantzas, the state is much more complex than Miliband's understanding, in that each economic, political, and ideological level is interconnected within the state, as every mode of production reflects the interrelations of these levels. By emphasizing Marx's Capital as a classic, Poulantzas acknowledges that the economic structure is primarily determined by the social relations of production. However, he also indicates that the political structures relate to the state's institutionalized power, while ideological structures encompass both individual consciousness and the collective belief systems within a society (Barrow 2002, 22). Poulantzas's endeavor to re-conceptualize Marxist state theory centers on synthesizing the economic, political, and ideological dimensions of the capitalist state. This comprehensive approach not only addresses the principal elements of Marxist state theory but also broadens the understanding of capitalist exploitation of the labor class through the lens of institutional and ideological frameworks. Contrast to Miliband, thus, the state is a place where the class struggle can realize, not the direct or indirect corollary of the struggles among classes (Thomas 2019, 145). Nonetheless, Poulantzas argues that the state maintains a relative autonomy from the direct control of the capitalist class, indicating that it is not simply a tool wielded by the ruling class. This "troublesome notion of relative autonomy" (Thomas, 2019, p. 146 emphasis added) allows the state to act independently to safeguard the long-term interests of the capitalist system, even when such actions occasionally conflict with the immediate interests of individual capitalists or specific factions within the capitalist class. While the state is fundamentally aligned with the capitalist mode of

production, it is not directly governed by any particular capitalist or group. Instead, its autonomy enables it to manage the contradictions and conflicts inherent within capitalist society, thereby preventing these tensions from escalating into systemic crises. For example, the state may enact social welfare policies or labor regulations that appear to benefit working class but are ultimately aimed at preserving social order and facilitating continuous capitalist accumulation. Furthermore, the state plays a critical role in balancing the competing interests within the capitalist class, such as those between sectors like finance, industry, and agriculture, ensuring that no single faction's dominance undermines the broader capitalist framework. This balancing act is essential for the enduring viability of capitalism, as the state occasionally must undertake actions that seem counter to the short-term interests of certain capitalists to protect the system as a whole.

The Miliband-Poulantzas discussions paved the way for the enrichment of Marxist state theories, marking a significant return to the state in political evaluations—a focal point for the continued development and discussion of state, class, and capital relations over the years. However, Poulantzas's final work, State, Power, Socialism, suggests that the capitalist state was on the brink of undergoing authoritarian transformations in 1978, even before the economic and social policies of Ronald Reagan and Margaret Thatcher were implemented. His insightful observations on the future dynamics of capitalism pointed to a trajectory where the capitalist mode of production would increasingly shape authoritarian tendencies, laying the groundwork for what would become *the neoliberalism.* In order to ruminate the Poulantzas' authoritarian statism and shed light on the further discussion on authoritarian neoliberalism, we must encounter the main notions of his final work and dismantle the quintessence of his theory.

2.2 Authoritarian Statism

Nicos Poulantzas who had the first foresight about the capitalism was going to be an authoritarian not in the developing countries also in the developed countries, especially in the Europe. His *classical* work - rather than being *contemporary*- (Jessop 2011, 37) aims to analyze the interconnection between the dynamics of the *emerging of new type of capitalist state* and the ground-breaking resolutions about social classes which are not

being considered as monolithic political actors, and then, express the final interpretation on the current class struggles between dominant classes and dominated classes (Nicos Poulantzas 1978b, 125–26). Poulantzas revises the relationship between the state and capital by drawing on the foundational elements of Marxist state theory, proposing a more complex conceptualization of the bourgeois capitalist state. This framework is not only connected to the discussions on the exceptional state present in Poulantzas' earlier works but also observes the transformation of the bourgeois capitalist state through the lens of the authoritarian state. From this perspective, Poulantzas' state theory, developed at the dawn of neoliberalism, will be examined in greater detail to reassess the state-capital relationship within the neoliberal context.

In the first section, Poulantzas' definition of the state and his perspective on state theory will be thoroughly evaluated. This section will explore the separation of the economic and political spheres, the relative autonomy of the state, the various forms of capitalist crises, the comparison between the *exceptional* and normal state, and finally, the transition and transformation from the normal state to the authoritarian state. The second section will focus on Poulantzas' analysis of class structure. Here, a concise examination of how Poulantzas conceptualizes class within capitalism and the role of the state in relation to these classes will be undertaken. In the final section, the role of ideology and the state's ideological apparatuses in the formulation of the state will be explored.

2.2.1 Perception of the state

Poulantzas has analyzed the theory of the state, which is formed by the conflict between infrastructure and superstructure proposed by Classical Marxism, as a multifaceted and intricate system in various aspects. He indicated that the state is terrain where all struggles in a class-divided society are condensed and reflected. When it comes to state power, according to Poulantzas, it is a direct reflection of dominant classes, however, he disputes the notion that the state power directly represents the capitalist class, instead proposing to the state as a restoring power by which all class contradictions are deemed to manage while securing the social cohesion and maintaining political preconditions for survival of dominant mode of production (Jessop 1985, 61). Defining the state as the area where class conflict is condensed and then perceiving the power of the state as a stabilizing force that

ensures the continuation of the dominant relations of production of this conflict is equivalent to defining the state as a force that cannot be manipulated by any fraction within a class.

Poulantzas argues that there exists a distinct division between the economic, political, and ideological domains of the state. According to Jessop, "This does not mean that they are completely autonomous. The economic region still has political preconditions and the state still performs economic functions" (Jessop 1985, 62). Consequently, the claim is made that the state is not entirely subordinate to the economic conditions that make up the capital block. It could be observed the state taking a more autonomous stance in the economic domain. Poulantzas argues that the primary justification for this autonomous approach in the field of economy, including the regulation of capital relations and the reproduction of labor power, is the emergence of a novel state form. However, when examining the economic activities of the state, it is important to recognize that any changes impacting the political realm cannot be evaluated separately or in isolation from the newly established economic functions of the state (Nicos Poulantzas 1978b, 166–69). On the other hand, in the classical Marxist ideology, the state is a tool for oppression on the working class and ensure the continuum of the capitalist mode of production via its institutions. Poulantzas also accept the fact that the capitalist state is as the most centered and crucially pivotal institution is not only responsible for the the amassing and organizing the bourgeoise and the power bloc, but also the *guardian* of the bourgeoisie's achievements both socially and economically (Nicos Poulantzas 1978b, 128). Nevertheless, Poulantzas claims that the State is not merely a connection or a subjective perception of a relationship. Instead, it is the tangible manifestation of a certain relationship of power between social classes and their factions. (Nicos Poulantzas 1978b, 126). In addition, Poulantzas argues that state and monopolies neither are not attached to each other, nor, are they united within a single mechanism (Nicos Poulantzas 1978b, 128). The state should not be viewed as an inherent entity, instead, it is a manifestation of the power dynamics between different classes and factions, taking on a distinct form within the state. Poulantzas contends that the perception of the State as a singular and unified entity overlooks the intricate dynamics of the relations of production, wherein the dominant and subordinate classes are intertwined. Also, the cognizance of the state as

constitution of the relations of production and intensification of the social classes elucidate the state position which does not hamper itself to enforce of the organized physical repression. *"The state plays an equally important role in organizing ideological relations and the dominant ideology"* (Nicos Poulantzas 1978b, 29).

The state as a not only the densification of the social relations and the but also being part of the organization and remold of the ideological and the dominant ideologies ensure the relative autonomy of state "beyond the eternal counterposition of the as thing-instrument and the state as subject" (Nicos Poulantzas 1978b, 129). The state can portray itself as representing the general interest, standing above all particular interests that it allows it to override the dominant classes and factions when they pursue their specific agendas. According to Jessop, "maintaining its relative autonomy the state prevents the *parcellisation of state power among* different classes and fractions and thereby preserves its institutional unity" (Jessop 1985, 68). The relative autonomy can be considered as a flexibility or capability of maneuver of the state in terms of maintaining the political equilibrium of the class-divided societies. Thus, it is theoretically conceivable for ensuring the political power of the dominant classes or fractions and their long-term economic interest, however the political functions sometimes act against the dominant classes (Jessop 1985, 68). To be more clear, Jeffrey Isaac convey the notion that enables us to pin down Poulantzas' intentions for this formulations:

> The economy and the state differ not only in their personnel, but in their principles of existence and constitute rationalities. The economy is constituted by a multitude of private institutions (enterprises, corporations, banks) whose rationality is particularism and private profit. The state is constituted by a set of public institutions (executive, parliaments, courts, police armies, administrative bureaucracies) whose rationality is the provision of internal and external order and "security" and the "general interest." The concept of relative autonomy denotes the structural relation between class relations and the state. Each is a condition of other's existence, and each is in this sense implicated in the other, while at the same time maintaining İstem own respective autonomy. Because of this essential and necessary relation between state and class, because the state is what it is in virtue of its relationship to class relations, and vice versa, they are only relatively autonomous. The concept of relative autonomy thus designates the causal determinations between two social structures, state and relations of production, each of which is characterized by institutional specificity and causal effectivity (Jeffrey 1989, 66).

More explicitly, he asserted that these processes do not solely originate from the intrinsic tensions that develop in the reproduction and accumulation of capital (Nicos Poulantzas 1978b, 134–35). This autonomy is fundamental to the capitalist state, indicating its detachment from production relations and hinting at the specificity of classes and class struggles. Consequently, the state's autonomy does not oppose fractions of the power bloc but rather arises from internal dynamics (Nicos Poulantzas 1978b, 13).

On the other hand, Poulantzas offers significant reflections on the inherent nature of crises within capitalism and state crises. First, according to Poulantzas, economic, political, and ideological crises are distinct from one another. The reason for this distinction lies in the relative autonomy of the state, wherein the economic, political, and ideological spheres are interconnected but not fully integrated. Moreover, as long as crises do not penetrate the political realm, capitalism can utilize these crises as a tool to reproduce its conditions and even as a solution to problems of distribution. From this perspective, Poulantzas refutes the claim that capitalism will collapse due to its internal contradictions, arguing instead that such a collapse will only occur as a result of class struggle. The formation of political crises, he asserts, occurs when existing political domination and the social relations constituting that domination come into question. In such instances, the power bloc, or factions within the power bloc, which previously led the political domination, lose their ability to establish and maintain hegemony. Consequently, the power bloc loses its hegemonic control over the dominated classes. This scenario can create a space for the reconstruction of the state over the same social formations, or alternatively, it may pave the way for a more revolutionary struggle through a new social formation. Therefore, Poulantzas views political crises, when they occur, as an open warfare of political and strategic struggle, where class struggle gains prominence. For Poulantzas, not every crisis that emerges in the economic realm necessarily affects the political realm. As previously mentioned, this is based on the articulations of the relative autonomy between the state's economic and political spheres. Additionally, Poulantzas emphasis a distinction between political crises and state crises. A state crisis refers to the erosion of the state's organizational power between the dominant and dominated classes, signaling a weakening of state authority. While a state crisis may serve as an element of a political

crisis, it cannot be reduced to it. Finally, political crises often progress in parallel with ideological crises. The ideological apparatuses of the state are always reflected in the material manifestations of the power bloc's implementations; thus, political crises also encompass the state's ideological sphere (Sablowski and Goshgarian 2023, 220–24; Jessop 1985, 90–93)

Poulantzas' early works on the exceptional states covering the bonopartism, facism and dictatorship relies on the distinction between the normal state and the exceptional state configuration. The dual structure of the state formulation emphasis the crucial significance of the authoritarian statism conception which is not part of the exceptional state segment. Firstly, the normal state is the capitalist type of the state in which liberal democracy (representative democracy), competing political parties and representation of political parties belonging to dominant and dominated classes, democratic institutions, hegemonic class domination are constituted and established which is the theoretically equivalent of the bourgeoise capitalist state. Thus, the normal states have representative political parties competing each other in the free elections. Also, in the normal state, the constitutional formulations and the rule of law are a formal guarantee in terms of the limitation of the power and its transfer. Subsequently, the ideological state apparatus have legal status in which they enjoy the autonomous perception from the official government. In contrast, the exceptional state has the flexibility for political maneuver. Thus, the exceptional regime must develop flexibility by achieving three main tasks. First, it needs to create a political structure that consolidates mass support, engaging not only traditional classes like the peasantry and petty bourgeoisie, but also mobilizing the working class through union-like organizations. Second, it must establish transmission mechanisms and parallel power networks to link different state branches, enabling swift power redistribution amid class struggles and forming new compromises. Third, the regime must instill an ideology that unifies both dominant and dominated classes, serving as the cohesive force within the social order.

After examining the relationship between the state and classes through the lens of capitalist mode of production and social formations of state, Poulantzas discusses the radical transformation of capitalist state within authoritarian stance:

> In western capitalist…, the State is undergoing considerable modification. 'A new form of State' is currently being imposed - we would have to blind not to notice (...) For want of a better term, I shall refer to this state form as authoritarian statism. This will perhaps indicate the general direction of image, namely, intensified state control over every sphere of socio-economic life combined with radical decline of the institutions of political democracy and wit draconian and multi form curtailment of so-called formal liberties, whose realty is being discovered now that they are going overboard. Although some of these changes have been operating for a long time, the present-day state marks a veritable turn in relation to previous state forms (Nicos Poulantzas 1978b, 204).

Poulantzas observed that while examining the interplay between class relations and the prevailing production relations of capitalism, a novel state model had evolved. This model differed from the previously discussed "exceptional state" regimes such as dictatorship, fascism, and bonapartism, which Poulantzas had extensively explored in his earlier writings. He asserted that the new state model he attempted to study in the 1970s cannot currently be regarded as a defeat for these people, unlike exceptional state that arose following the historical defeat of popular movements and the working class (Nicos Poulantzas 1978b, 209). More precisely, Poulantzas states that the concept of authoritarian statism cannot be described as 'new fascism' or 'fascist tendencies of capitalism' and states as follows: "(...) it rather represents the new 'democratic' form of the bourgeois republic in the current phase of capitalism" (Nicos Poulantzas 1978b. 209–210). In order to ruminate the concept, the authoritarian statism presents the following arguments:

> The concentration of power in the executive branch, the blurring of the separation of powers, the transformation of public and private space boundaries, arbitrary policies that restrict citizens' freedoms, the rapid decline of political parties and the transfer of their functions to the bureaucracy, the rise of technocratism, the increase in the state's use of physical and symbolic violence, the creation of a large network of social control, and the transfer of power from the official and open level to a 'core' executive group have resulted in the replacement of public information with state secrets. To achieve these objectives, the judicial structure of the state of law was disrupted, resulting in a contradictory and inconsistent process that created the perception of being 'blindly' executed(Karahanoğulları & Türk 2018, 406).

According to Kahramanoğulları & Türk, the bullet points of authoritarian statism focus on the strategies that have developed in response to the current crises of capitalism. They emphasize the decline of democratic capitalism, the erosion of democratic values, the growing inclination towards constitutional authoritarianism, and the alteration of both the constitution and the regime to enable this change. Also, the authoritarian statism reflects "a constant symbiosis and functional intersecting of the two (normal and exceptional) structures under the control of commanding height of the state apparatus and the dominant party" (Jessop 1985, 100). Thus, Poulantzas offered an insightful critique and deliberations for the transformation of the normal state forming into an amalgam which is crystallized as a unique but contradictive aspect of both exceptional and normal state conditions. Subsequently, giving the importance of his ambitions and intellectual skills for the observation of current dynamics of monopoly capital during 70's, the authoritarian statism had attested the beginning of the neoliberal turnover over all around the world before the Ronald Reagan and Margaret Teachert policies were implemented in both United States and UK.

2.2.2 Perception of the classes

Nevertheless, one could characterize the state as the culmination and political manifestation of the bourgeoisie's hegemony over social formation. In contrast to the historicist standpoint propagated by classical Marxism, this viewpoint does not consider the two distinct social classes—proletariat and bourgeois—as a unified political entity. Poulantzas argues that the classes are not only determined by the economic realms of the state; instead, it is a condensation of overall matrix of economic political and ideological structure (Jessop 1985, 61) Poulantzas posits that the capitalist alliance constitutes a class entity comprising fractions with widely divergent political stances, and their interactions among these fissiparous group and the state are susceptible to change. As a result of the transformations in working class, Poulantzas argued that the working class also does not comprise a unified whole and that certain groups may represent the capitalist class. Poulantzas assessed the intricacies of monopoly capitalism and its interactions with nation states through his examination of the interplay between class and state. This framework suggests that Poulantzas' analysis is predicated on the objective comprehension and rationalization of monopoly capitalism's operational procedures.

In thereon, it mentioned that Poulantzas strongly expressed the importance of the social classes in terms of the political struggle and formation of the state. The main objective of the capitalist state is to *'buttress dominant class (...) and to hamper the dominated class in order to bend the class struggles in favor of the dominant class'*(Poulantzas 1978, 126). So, the first question is as follow: why did Poulantzas rendominate the bourgeoise and proletariat as dominant and dominated class? In Poulantzas' earlier work titled *"Classes in Contemporary Politics"* (1978a) explains and introduces the novel class disseverment in regard to Marxist ideology. His famous and critically acclaimed divergence rely on the idea of the *productive labor* which produce surplus value that is directly part of the material production by producing use values which augments material wealth. On the other hand, wage earners who do not produce new use values in physical form are n*onproductive labor* and are not part of the actual working class. To exemplify, the workers who produce material product (shoes, cup ext.) are productive labor and are part of the working class; however, the officers in that factory whose requirements are basically the effectiveness of the factory and workers, are not part of the it. Therefore, Poulantzas expands the terms of *"new petty bourgeoise" and welds all wage-earners to it.* In addition, Poulantzas also indicated that the dominant class *(bourgeoise)* could be composed of several and indeed, multiple different class fractions whose ideological tendencies might be multi-faced which coalesce into one unique political subject (Poulantzas 1978b, 127). The discussion about class formation in the capitalist society have been one of the major topics of Marxist ideology whereby Poulantzas' contributions was criticized in regard to fundamental breakpoint from the classical understanding of class formation. Poulantzas argues that the class is not a one, complete and whole formation; on contrary, both dominant and dominated classes are diversified according to their ideology, social relations, and their positions.

2.2.3 Perception of the ideology

Poulantzas contends that it is erroneous to solely characterize the role of the state as being limited to repression and ideology. According to him, the state serves a broader and more profound purpose. The exercise of state power is divided into two distinct parts: repressive State apparatuses and ideological State apparatuses. The sophisticated and complex structure of state apparatuses hinders our ability to identify the specific state

network where the power of the dominant sector of the bourgeoisie is concentrated (Poulantzas 1978b, 25–30). However, under this *new state type,* the duality that influences the class relations of the state serves a dual purpose. While the state attempts to suppress the primary conflicts between social classes, it also takes on the responsibility of fostering unity and prioritizing the collective desires and benefits of the nation. From the perspective of the ruling classes, the most essential aspect of the state is its organizational structure. The state intersects with the dominant classes in the organizational framework to safeguard the long-term interests of the power bloc, which comprises various capital fractions (Poulantzas 1978b, 127). Poulantzas indicates that the distributions of the state's resources focused on establishing and maintaining and organizing delicate balance of compromise within the power bloc (Poulantzas 1978b, 27). From this viewpoint, it is erroneous to perceive the state as a unified and uniform entity and to assume that the development of state policies is the result of a cohesive and integrated structure. It is crucial to recognize that these processes stem from the interaction and clash between the legislative and executive procedures within the state and different state apparatuses Furthermore, it is important to acknowledge that the concept of the state encompasses not only the concentration of power relations inside the power bloc, but also the interplay of power dynamics between these forces and the dominant class (Poulantzas 1978b, 140).

According to Poulantzas, the state overall is an institution whose significant hallmark is not only being directly connected to the relation of forces but also is an apparatus which has relative autonomy over social forces. The transformation in the class struggle in the state always influence the State; however, it does not transform the state immediately. (Poulantzas 1978b, 131). The state, beyond being shaped by power dynamics, maintains its own resistance and opacity. Changes in class power relations gradually integrate into the state apparatus, dependent on specific operations and actions (Poulantzas 1978b, 134). Poulantzas's state ideology emphasizes that the state plays a crucial role in legitimizing the reproduction processes between social classes. It does so by using ideological devices to regulate these processes or give the appearance of regulation. At the same time, the state also manages and resolves conflicts between different factions of capital without undermining the dominance of the ruling class (Türk and Karahanoğulları 2019, 407).

2.3 Concluding Remarks

First, Poulantzas not only brought the state back to the center of political theory but also paved the way for a more systematic analysis of the transformation of capitalism and the capitalist state by reconsidering the debates around the triangle of state, class, and capital in a broader sense. In particular, instead of viewing capital and classes as homogeneous and monolithic entities, he argued that these classes consist of various fractions and groups. From this perspective, Poulantzas created a significant theoretical foundation for Classical Marxist literature, enabling a more complex yet consistent analysis of the relationship between the state and classes. His expansion of the concept of the petty bourgeoisie, particularly in the discussion of class, led to a reconsideration of working-class struggle and prompted various critiques of this conceptualization. The economy, conceptualized through the relative autonomy of the state, positioned the political and economic spheres as autonomous yet interconnected, allowing for the state's maneuvering capacity within both domains. Regarding the relationship between the state and crises, his emphasis on the possibility that economic crises may not necessarily be reflected in the political sphere is a particularly important element. Furthermore, Poulantzas' argument that the bourgeois democratic state was nearing its end with the advent of neoliberalism—and that this new type of state should be evaluated separately from the concept of the exceptional state—stands out as a prescient and significant insight.

2.4 The Other Theories Regarding State-Capital Relations

2.4.1 Authoritarian neoliberalism

The concept of authoritarian statism has been introduced *the new type of* the state configuration in which all state apparatus and social relations condensed into a state whereby dominant classes collimate the authoritarian tendencies over all social sphere in favor of monopoly capitalism. However, the authoritarian neoliberalism ignites the serious discussions after 2008 economic crisis that has implemented the new directions of neoliberalism, and thus, separating the history of neoliberalism into two *qualitatively distinct* categories (Bruff 2014, 116 emphasis added) which did not represent somehow a wholesale break from the pre-2007. After the numerous uprisings in different geographies

had accrued such as Gezi Protestions in Turkey, the concept was the main source of the authoritarian litterateurs, and it conceptualizes the different rage of the topics of social sciences. Thus, it implements the importance of the authoritarian neoliberalism's formulation of state and its convergence of social relations therewithal, necessitates a current discussion and reconsideration of this concept.

Before ruminating into authoritarian neoliberalism, it would be beneficial to introduce the brief definition of that concept. Bruff argues that authoritarian neoliberalism is threefold: 1) The pressing necessity for tangible modifications stemming from the state's inability to address and rectify socioeconomic disparities, 2) a decline in expectations attributable to the prolonged and more stringent regulation of suitable and feasible non-market institutions and 3) reorganization of constitutional and legal regulations that the state is obligated to adhere to in order to attain the desired welfare (Bruff 2014, 115–116). The one of the main contributions of this work is that after the crisis, neoliberalism lost its hegemonic aura and became defective *"(...) to garner consent or even the reluctant acquiescence necessary for more normal modes of governance"* (Bruff 2014, 115). The incompetence of the neoliberalism has been reshaped the constitutional and legal formulation and economic enlargement of the state and its institutions because dominant groups are less interested in the suppressing the labor movement and politically dissents by concessions and forms of compromise that maintain their hegemony. Hence, in the post-2008, the authoritarianism has been *qualitatively distinctive* in order to ensure the the continuation of the capitalist system.

Over the past decade, authoritarian neoliberalism has served as a fulcrum in many branches of social science, allowing researchers to comprehend the fundamental dynamics of authoritarian changes occurring within the state and its institutions, such as the transformation of political spaces into market-oriented logic and, more generally, within the state itself, as attenuation of seen through the lens of class-based perceptions. These changes have also had an impact on the socio-spatial background, impacting every social domain within the state. Research from various academic fields has provided insights into several subjects, including the transformation of the state regime and democracy (Harrison 2020; Stelgias 2023; Saad-Filho 2021; Catanzaro 2023; Akçay 2024; Ryner 2019; 2018; Borsuk et al. 2021; Babacan et al. 2021; Mylonas 2020;

Harrison 2019; Fabry 2019; Søndergaard 2021; Kaygusuz 2018; Gallo 2021; Bilgiç 2018), the origins of social movements such as the Gezi protests and the government's reaction to uprisings (Demircan 2022; Catanzaro 2023; Özen and Körükmez 2021; Tekay 2022; Laub 2021; Tutkal 2023; Atalay 2018; Erturan-Ogut 2020; Tutkal 2022; Aydin 2022; Bilgiç 2018), the impact of neoliberal changes on cities and concepts of urban rights (such as large-scale projects, urban redevelopment, and urban planning) (Piletić 2022; Ward 2022; Lovering and Türkmen 2011; Jenss 2019; Yeşilbağ 2022; Borén, Grzyś, and Young 2021; Kizildere and Chiodelli 2018; Kuletskaya 2022), the conditions and situation of workers' rights and labor union during the authoritarian neoliberal period (Erol and Şahin 2023; Lawreniuk 2023; Krein and Colombi 2019; İşleyen and Kreitmeyr 2021; Dutta 2020; Birelma, Işıklı, and Sert 2024; Bozkurt-Güngen 2018), developmentalist project regarding to both constitutional and regulatory policies within the state (Özkiziltan 2021; Piletić 2023; Totaro 2023; Juego 2018), the augmented hatred and discriminatory policies towards immigrants and preventing immigration via state policies (Gonzales 2020; Sandoval and Luque 2023; Bhagat and Soederberg 2019), the emencipation theories (Kiersey and Sokoloff 2023; Plehwe and Dodge 2019; Kiersey and Sokoloff 2019).

The mind map of the authoritarian neoliberalism has shown that the influence on both the institutional and social formation of the state and its impact on the public and private spaces not only consisting of the policies which have been implemented by the state in numerous fields but also the transformation of society. As previously stated, the main canon of the literature of authoritarian neoliberalism focuses on the transformation of the state's regime, more deeply, the institutional, regulatory, and more importantly constitutional configuration of the regime and its direct relationship with democratic values and democracy itself. Mexhuani&Mexhuani's (2024) qualitative meta-analysis from 1990 to 2020 including 50 different academic sources focusing on central and Eastern Europe show the fact that the neoliberalism contributes to the erosion of democratic values such as transparency, accountability, and citizen participation by promoting policies that prioritize corporate profits above the welfare of the general public. Hence, the ascent of the authoritarian neoliberalism is considered as a continuation of

neoliberal processes[1]; densification of wealth and power within a small group has fostered the degradation of democracy and inclining the public trust in democratic institutions (Mexhuani and Mexhuani 2024, 6). The article contends that social justice movements, collective activities, and advocacy for dissidents and oppressed populations have faced increasing pressure, while the influence of corporations in determining legislation and promoting their own interests has surged (2024, 7–11).

Fabry (2019) investigates that the Orbán administration has intensified neoliberalism by merging neoliberal perspectives with ethicist-populist tactics in order to establish widespread agreement. Despite the condemnation of Orbán's 'illiberal' approaches by neoliberal institutions such as the IMF and EU, they have not implemented any measures against the Hungarian government. The primary thesis of Fabry's paper posits that the authoritarian neoliberal practices, which encompass the elimination of constitutional checks-and-balances and increased state intervention in the economy, as well as the promotion of xenophobic rhetoric against foreigners, do not signify a complete break, but rather an intensification of the authoritarian inclinations that are inherent in neoliberalism. Therefore, while the Orban government may be seen as a representative example of what Bruff and Tansel refer to as authoritarian neoliberalism, Fabry has sought to highlight the underlying historical origins of this specific political and economic system in Hungary (Fabry 2019, 178). However, Fabry's perspective on the idea of authoritarian neoliberalism has mostly focused on a critical stance (Fabry 2019, 165–67).

Mylonas (2020, 180–183) analyzes the New Democracy (ND) party as a coalition that combines conservative, neoliberal, and Far-Right ideologies. The shift shown is from a center-right ideology to an authoritarian form of economic liberalism. ND techniques examine the concept of hegemony, which refers to the consolidation of power and leadership. The study examines the ND initiatives in an EU member state on the periphery that is experiencing a prolonged crisis and is confronted with undemocratic policies imposed by the EU. The thesis analyzes the ways in which governmental institutions

[1] In this article, the authoritarian neoliberalism is considered as a new chapter of neoliberal transformation aside from the fact that the concept itself does not introduce itself is a continuum process. Consequently, the neoliberal capitalism, neoliberalism and the authoritarian neoliberalism seems creating an amalgam to explain the process in general; however, the nuances of these terms have underestimated.

support the interests of the bourgeoisie while suppressing socialist opposition in order to sustain capitalism. Authoritarian neoliberalism is used within a liberal-capitalist framework to elucidate the democratic changes that occurred after the 2008 financial crisis along with the authoritarian statism proposed by the Poulantzas. Therefore, the transition of regime is evaluated with mix-theoretical background which enrich the current discussions.

The authoritarian neoliberalism does not only dovetail with the CEE; in fact, the growing literature considering the wide range of geographic tenure is covering the crucial part of the concept. Søndergaard (2021) employs the concept of authoritarian neoliberalism to examine the governance of Michel Temer's administration over the period from May 2016 to December 2018 in Brazil. The article elucidates the manner in which authoritarian politics promotes neoliberalism inside institutional frameworks that are characterized by being *blurred;* neither democratic nor autocratic. The current administration created a situation where *democratic vacuum* happened, allowing an interim government to implement unpopular policies without being held accountable by general society. The vicissitudes of neoliberal practices and authoritarian inclinations align with the ongoing discourse in the literature. Harrison (2019) contends that the implementation of authoritarian neoliberalism in Africa has shown to be an unsustainable approach to transforming capitalism in general. Authoritarian neoliberalism has failed to provide a consistent pattern of economic growth, investment, and transformation in low-productivity economies in African perspective. Also, Saad-Filho's (2021) analysis explores three interconnected factors: the worldwide surge of right-wing politics and the spread of authoritarian neoliberalism, the historical patterns of growth and decline within the Brazilian left, notably influenced by the PT (Workers' Party), and the emergence of a formidable right-wing alliance in Brazil, which has achieved political supremacy in multiple domains. The most crucial aspect of Singh's analyses is that amidst wide range of examples, global neoliberalism has been breaking into a distinct stage of managing economic crises via authoritarian, personalistic, outwardly nationalist, but deeply neoliberal crisis politics (Saad-Filho 2021, 24)

The research on authoritarian neoliberalism in Turkey extensively examines the profound impact of institutional and constitutional changes on the architecture of the regime. Due

to its distinctive and unparalleled political history, which includes efforts to eradicate military influence, the rise of political-Islamist practices, interference in the lives of the populace, a failed coup attempt, a surge in terrorist attacks, the shift from a parliamentary to a presidential system, Turkey has become a significant case study in the field. Consequently, a majority of scholarly research has concentrated on this particular region. Akçay's work (2024), which is one of the most recent articles about Turkey's pendulum with authoritarian neoliberalism, shed on light the fluctuant process whereby not only the configuration in state itself but also the rooted relations with dominant classes are intensified. The research suggests that the AKP's mission relies on two main foundations: the establishment of a non-political technocratic state system that enables the implementation of policies that serve the interests of dominating capital, and the reduction of worker resistance, which is essential for building an authoritarian neoliberal state. Similarly, Borsuk et al. (2021) emphasizes the mechanisms involved in the process we mentioned in the case of Turkey that involves not only the aspect of high politics, but also the broader perspective of low politics, such as executive centralization, autocratic legalism, cronyism, violence-driven rentier accumulation, criminalization, and stigmatization. Furthermore, it explores the opposition to authoritarian neoliberalism via many methods like strikes, protests, rallies, networking, legal activities, daily activism, and violent resistance. Also, Kaygusuz (2018) glances at the transformation of regime security into neoliberal security state (NSS) between 2006 and 2016 where the political uprisings have been augmented against JDP's polices and regime's hegemonic crisis that leads to failed coup d'Etat. Similarly, the main framework of the authoritarian neoliberal configurations which are the building consent with excessive state power, the erosion of the democratic values and institutions and dismantling the parliamentary system has been a bastion of this research. However, the authoritarian consolidation after failed coup d'Etat and the changing regime type from the parliamentary to presidential system led the discussion to exceptional state formations.

The other crucial point of the literature is that the uprising against cultural, economic, legislative neoliberal policies involving the erosion of the human rights, political and economic suppression towards dissident groups and racial or sexual minorities. Considering Gezi protestation as a first sublevation against authoritarian neoliberalism,

Bilgiç (2018) examines the Gezi Park protests via the perspective of the protesters in order to demonstrate their resistance against authoritarian neoliberalism. The analysis also investigates the rhetoric used by the government and pro-government media to demonstrate how the AKP party modified the narrative of the Turkish right's 'national will' by including elements of neo-Ottomanism and neoliberal is thorough which retain its dominant position. In England, Laub (2021) investigates the process of criminalizing and the role of the police in south London, which has been impacted by austerity measures, to get a deeper understanding of authoritarian neoliberalism. Qualitative research conducted with local youths and interviews conducted with stakeholders, including retired police officers and community leaders, have emphasized the spatial aspects of authoritarian neoliberalism and the role of policing in its management that demonstrates the effects of post-crisis austerity measures and ongoing criminalization on the perception of neighborhood security among teenagers. The other article in terms of the collective contestation, Catanzaro (2023) explores the complexities of neoliberalism in peripheral countries of Latin America, delving into fresh perspectives and aspects. This text advocates for a thorough analysis of neoliberal ideology that goes beyond its own portrayal, with a specific focus on the authoritarian societal inclinations seen under the Mauricio Macri administration in Argentina between 2015 and 2019. This statement underscores the need of comprehending the distinct characteristics of this authoritarian neoliberalism, while emphasizing the dynamic relationship between aggressiveness and submission in language combined with xenophobia, historical revisionism, and a call for recognition of Argentina's subservient global status. Considering that student protestations have a very important position in social movements, Tekay (2022) examines global acts of solidarity in response to the protests at Boğaziçi University in January 2021, which were sparked by the nomination of a new university rector. The author analyzes the social context of these initiatives by using interviews and personal experiences in Turkey, Europe, and the US. The backing of Boğaziçi University's students and faculty, in part owing to the emigration of Turkish academics and alumni, is seen as a broader struggle for the preservation of democratic institutions of higher education. The article states that these proposals are supported by academics and students globally, especially in the context of neoliberal and authoritarian governments. Nevertheless, Turkish academia has been suffering not only the regulative form of suppression in terms of the

undemocratic assignment of university rectors but also the deracinating the academics with exceptional state apparatuses because of the political background and statements. Özen & Körükmez (2021) delves into the regime's attacks on scholars, institutions of higher learning, and the purging of the Academics for Peace. This chapter analyzes the Academics for Peace stigma and resistance methods, with a focus on collective action against authoritarian neoliberalism, based on research conducted by the Human Rights Foundation of Turkey (TİHV).

Considering the way authoritarian neoliberalism establishes undemocratic and crony capitalism implementation in terms of the allocation and redistribution of wealth, the relationship with ruling classes of state is the crux of this political ideology. Hence, the significance of urban planning stems from the fact that it possesses both palliative and enhancive effects. Palliative effects include the diffusion of the severity of the distribution crisis that capitalism is experiencing along with the transfer of public areas to the private sector or the confiscation of public areas to specific groups within the power blocs. Enhancive effects include the social and economic inequalities that occur while removing public spaces, opting for the profit of the bourgeoisie over the benefit of the public. Firstly, Tansel (2019) analyzes the consolidation of executive power via urban governance reform under the administration of the JDP administration that includes the state-led process of turning land and housing into commodities, as well as the recentralization of decision-making authority. The concentration of power expedites contentious urban initiatives, leading to urban redevelopment that lacks participation, selective enhancements that mostly benefit low-income inhabitants, and inequalities in the housing market. Nevertheless, Lovering & Türkmen (2011) examines Istanbul's extreme urban reconfiguration for *neoliberal modernization* stressing market-oriented rationality and private property. The paper mainly emphasis on the purging of İstanbul from the local habitants to the bourgeoise classes in terms of the accumulation of dispossessions. As another aspect of the neoliberal urban planning, Bayurgil (2021) fills a gap by examining why and how residents and institutions consent to urban transformation. It reveals how a community in Istanbul uses urban transformation both as an economic strategy to maintain elite status through capital investment and as a cultural tool to distance themselves from the government's authoritarian neoliberal policies.

Finally, Kuletskaya's (2022) research presents three key concepts that contribute to the discourse on neoliberal housing delivery and the role of architecture. For another aspect of the neoliberal urban planning, Firstly, it challenges the notion that Belarus did not adopt a neoliberal approach to housing supply. Furthermore, the term "legitimized architecture" is used to demonstrate how authoritarian authorities may circumvent building regulations. It demonstrates how architecture justifies Belarusian legislative actions that turn urban housing into a commodity.

In thereon, it is mentioned that one of the most crucial tenets of the authoritarian neoliberalism is the suppression the labour movements, and more importantly, reshaping the labour conditions in parallel with the ensuring neoliberal transformations. Güngen (2018) presents a labor-focused perspective of neoliberalism and the growing authoritarianism in Turkey. It contends that Turkey's previous adherence to neoliberal policies has consistently impeded the advancement of democracy, not just during the early 2010s. The AKP has been able to expand its authoritarian power by using existing structures, particularly via labor restrictions that prioritize individual absorption rather than group efforts. Following the political and economic reorganization that took place after the crisis in 2001, the labor policy implemented by the AKP has played a vital role in developing authoritarianism. Birelma et al. (2024) examines the influence of authoritarian neoliberalism on demonstrations by the working class in Turkey. Legal strikes have significantly decreased since the mid-1990s, and in the 2010s, the AKP government has prohibited all these strikes. Utilizing protest event analysis (PEA) with data spanning from 2015 to 2019, the research uncovers that, despite a suppressive government, laborers have persistently participated in noteworthy protest actions, showcasing their perseverance and opposition in a progressively authoritarian environment. Specifically, Aydın (2022) investigates the phenomenon of authoritarian neoliberalism and its impact on the precarious situation of Turkish journalists and academics under the ruling Justice and Development Party (AKP). Politically motivated precarization is said to pose a danger to socio-economic stability, basic rights, and the value of life for the purpose of gaining political advantage. The study demonstrates a connection between authoritarian neoliberalism and precarization via interviews conducted with Turkish professors and journalists who have been exiled to the UK.

Additionally, it explores alternate methods of generating and disseminating information, as well as worldwide collaboration in opposition to authoritarian capitalism. Da Costa Vieria (2023) shed on light on the lack of authoritarian literature about the transformation of definition of work and labour thorough legitimation.The statement asserts that *legitimation comes before accumulation*, rather than ensuring it. The term used to describe this phenomenon is *"accumulation by legitimation."* Governments indoctrinate individuals into adopting neoliberal ideologies that turn them into neoliberal subject who is actively and willingly participate in neoliberal accumulation. This study examines the ideology of Thatcherism and analyzes government archives through the lens of a Marxist-Foucauldian framework. It demonstrates how propaganda and policies were used to transform British workers into self-identifying capitalist. Despite its significance in terms of employment and anti-inflation efforts, the plan encountered significant obstacles, highlighting the flaws and limited influence of neoliberalism. Dutta (2020) utilizes the culture-centered approach (CCA) to ethnographically study the experiences of low-wage migrant workers from Singapore during the COVID-19 dormitory outbreaks. The CCA framework suggests that communication and material inequities contribute to the development of detrimental conditions that have a negative impact on the health and well-being of workers. The research states that migrant workers encounter inadequate housing, sanitation, and food insecurity, as well as a lack of information and representation. In th the most important comparative research, Erol & Şahin (2023) examines the state of organized labor in Turkey and Egypt under securitized neoliberal-developmentalist governments after 2013. Despite the stated advantages of economic liberalization, both states maintained authoritarian systems of government. The use of force to suppress unions that opposed the government and the authoritarian control of organized labor were essential in changing the labor market. This research highlights the significance of labor market regulation in achieving the neoliberal objectives of these regimes. McBride & Mitrea (2017) emphasizes the influence of authoritarian neoliberalism on the economic policies of the European Union, especially in relation to austerity measures and labor market changes. This highlights the way in which these policies are established as part of the constitution, which restricts democratic speech and prolongs economic difficulties for the working class. This research offers useful insights into the convergence of political and economic factors that influence the current administration of the European Union.

It is evident that there is a significant and ubiquitous link between developmentalism and authoritarianism, both in terms of how the state's economic resources are distributed and how these developmental projects are overseen. Harrison (2019) examines the symbiotic relationship between neoliberalism and authoritarian regimes in Africa, and how they collaborated to drive economic transformations. Contrary to expectations, these modifications resulted in precarious growth, fluctuation, and restricted economic metamorphosis. According to the paper, several governing elites began to investigate alternative development models as neoliberal adjustment failed to provide economic benefits. In the Europe, Wigger (2019) mentioned that EU's 2017 industrial policy aims to revitalize the region by improving industrial competitiveness and increasing the proportion of manufacturing in GDP. Although it bears similarities to Keynesianism, this strategy maintains and reinforces neoliberal structural changes via the use of authoritarianism. According to Wigger, the goals are internal devaluation, labor devaluation, increased competitive intensity, and decrease of corporate tax. The operation of national productivity boards, which oversee and provide recommendations for policy changes, infringes upon the wage bargaining rights of member states by functioning without democratic or organized labor participation. In Turkey, similarly, the discussion about the developmentalist strategy is in line with the global examples. Hence, Özkiziltan's article (2021) focusing on the industrial perspectives of JDP's Turkey, it is argued that JDP administration in Turkey, which combines elements of authoritarianism, neoliberalism, political alliances, Islamic beliefs, repression, and resistance. Turkey's strategy distinguishes itself from other developing market countries with lower levels of democracy by integrating historical authoritarianism and socio-political factors. Similarly, Smith (2019) examines the process of Australian border securitization and militarization within the context of 'authoritarian neoliberalism' and neoliberal structural adjustment. This study examines the ways in which mandatory imprisonment, the privatization of detention facilities, and the militarization of border control contribute to the reinforcement of colonial power dynamics, racial differentiation, and the financial gains of transnational capital. This study explores the complex relationship between border policies and neoliberal restructuring via the lens of authoritarian neoliberalism and race critical theory. The discussion on the democratic values, authoritarianism and the developmentalist strategies is not only about how these relationship struggles each other,

but also about the environmental degradations stemming from these projects. Acara (2019) analyzes the water sector in Turkey from 2000 forward, with a specific emphasis on the Ergene River in Thrace. This demonstrates how Istanbul's pursuits have fueled the pollution and autocratic decision-making of neoliberalization, characterized by a consistent lack of accountability. The research emphasizes the presence of ambiguous areas of authority involving public organizations that result in breaches of environmental laws, like the administration of rural water resources by urban governments. The Ergene River in Thrace, Turkey has been affected by river pollution caused by the neoliberal urbanization policies implemented by metropolitan municipality administrations. Also, Juego (2018) analyzes Malaysia's socio-economic policies implemented by several administrations. Following the defeat of Barisan Nasional in 2018, Mahathir Mohamad and Pakatan Harapan were obligated to fulfill their reform obligations. The development agendas pursued by Mahathir, Abdullah Badawi, and Najib Razak, namely Wawasan 2020, Islam Hadhari, and Malaysia, sought to preserve political stability by authoritarian methods and conform to the requirements of global capitalism, notwithstanding the rhetoric they used. Evidence from policy documents, declarations, and media reporting indicates that Malaysia operates under an authoritarian neoliberal regime. The study demonstrates the extensive presence and impact of this regime on Malaysia's political and economic landscape. Totaro (2023) examines the process of industrial restructuring in Mangystau, Kazakhstan's service businesses, after the oil price crisis of 2014-2015. This study investigates the many impacts of precarization resulting from restructuring under Kazakhstan's authoritarian neoliberalism via ethnographic research. The study indicates that workers' precarity encompasses social marginalization, economic exploitation, and heightened vulnerability. Additionally, it analyzes governmental efforts to transform jobless individuals into entrepreneurs, as well as the firsthand accounts of workers involved in multi-level marketing. This study sheds light on the intricate socio-economic and political processes involved in the reorganization of Kazakhstan's oil industry, as well as the impact it has on the perspectives and experiences of workers. Piletic (2023).

Another prominent topic in the literature on authoritarian neoliberalism is the expression of animosity against immigrants, which can be seen as a manifestation of xenophobia. The proliferation of literary works addressing xenophobia and immigration highlights the social ramifications of these policies, extending beyond their economic implications. This

suggests that nationalist activities are used to justify the attained authoritarianism. Gonzales' (2020) ethnographic research conducted in Texas reveals that the administration's actions of creating a crisis to suspend international refugee rights. The subaltern actors, mostly consisting of women and children hunger strikers and their supporters, resisted these actions. The essay proposes that these hunger strikers represent a new Mesoamerican refugee movement that highlights a broader ethical predicament in liberal democracies. The huge displacements in Central America may be attributed to almost four decades of neoliberal policies, US imperialism, and inadequate security measures. Bhagat & Soederberg (2019) investigates the process of resettling refugees in Berlin and Paris within the context of a political system characterized by both neoliberalism and authoritarianism. The text emphasizes the challenges faced in governing refugees, including the physical and historical barriers such as neoliberal austerity measures and the lack of available homes. An analysis of refugee responses reveals that urban authoritarian neoliberalism is undemocratic. The assertion is that the refugee problem exacerbates housing challenges by transferring advantages to non-governmental entities and giving local authorities the power to move refugees without democratic processes. This study sheds light on the intricate procedures of refugee management within the context of neoliberal urbanization.

However, this thesis aims to provide a critical analysis of the concept of authoritarian neoliberalism across three distinct categories: 1) Bruff and Tansel's fundamental ideas regarding systematic change bear resemblance to Poulantzas's notion of authoritarian statism. The main conception and the contribution of the authoritarian neoliberalism could also explain in the authoritarian statism which questions the relevance of the theory and obligate us to reconsider the whole dynamics in post-2008. 2) The concept of authoritarian neoliberalism can be characterized as a Eurocentric construct because all examples regarding to authoritarian neoliberalism locates in the Europe, Eastern Europe. Furthermore, their neglect to scrutinize the autocratic inclinations of neoliberalism in nations like Africa and Latin America, which transpired prior to 2007 is another critique of the notion of qualitatively distinctiveness for authoritarian tendencies. 3) The final criticism will center around their endeavor to assess neoliberalism in relation to authoritarianism over two distinct time periods. This study acknowledges the presence of

a second period, as proposed by the concept of Authoritarian neoliberalism, which aims to restructure the state order with increased authoritarian inclinations and anti-democratic behaviors. However, it is important to note that the emergence of this period is not primarily attributed to authoritarianism, but rather to establishing direct connection ideological fractions within the dominant classes and the parceling of public areas into these fractions, laying the foundations for the state to establish a new bourgeois class that will support itself in times of crisis. The study posits that the observed phenomenon might be attributed to the reinforcement and preferential treatment of smaller fractions.

Poulantzas and Bruff (et al.) exhibit similarities with regard to the characteristics of the transformation they propose for the present stage of capitalism at their time, as well as the foundations upon which this transformation is formed both in the state and its institutions. In terms of resemblance, Ryan (2019 emphasis added) introduced the most comprehensive and, as he put it, sympathetic critique - sympathetic because author shows the importance on the subject and he does not fully reject the whole concept - of authoritarian neoliberalism. In doing so, he presented extremely valuable criticisms on issues such as the concept of authoritarian neoliberalism's ability to distinguish the history of neoliberalism into two distinct periods and the fact that certain concepts and the transformation itself can be explained using Poulantzas' arguments. Ryan correctly wonders how the situation in Chile under Pinochet or England under Thatcher varies from this distinction, given that Bruff used the term qualitatively distinct for the era before 2007 when assessing the idea of authoritarianism (Ryan 2019, 118–119). These two thinkers characterize capitalism as an authoritarian state structure where the institutions, laws, and social resistances/demands that ensure a democratic political plane are repressed and transformed, based on their observations of the contemporaneous conditions of capitalism. While Poulantzas examined the authoritarian transformation of the capitalist state after the groundbreaking economic crisis in 1970’s and pre-assumed the gradual degradation of western democracy, on the other hand, Bruff observed the inclination of the authoritarian tendencies after mortgage crisis in 2007 and further political and economic implementations over state and its apparatus which are akin to the transformation of all spheres of the society. Ryan inquires about whether Poulantzas failed to address the prevailing cultural trends of his era, or if he were only making a

prediction about events that would occur three decades later. Furthermore, he questions that how can we identify a period of neoliberalism and a notable increase in authoritarianism that is qualitatively unique within that transformation? Are there any measurable or observable signs that may be used to assess or demonstrate this process? (Ryan, 2019, 119). These considerations are of utmost importance in comprehending the dynamics of authoritarian neoliberalism and remain pertinent in the present day. Hence, while being in line with each other regarding these concepts is comprehensible, for both transformations to be distinct from one another, the underlying production relations of both periods must manifest themselves in unique ways; consequently, the social ramifications of these revolutions must yield unique outcomes with regard to the dominant and dominated social classes. Relying solely on the fluctuation of periodic fixed variables to formulate a concept would entail disregarding the interplay between state and capital relations, alterations in potential production relations, and the consequential impacts on social dynamics that these concepts aim to elucidate. Thus, this part will analyze the ontological gap in the development of the notion by exploring both the similarities between the theories and the potential shifts in production relations that they indicate, as well as their impact on social dynamics.

Initially, this transformation is achieved by increasing the use of force by the state and its institutions. Both concepts rely on similar processes, independent of the historical period or the characteristics of the crisis. From this perspective, it is clear that the connection between authoritarian neoliberalism and the 2008 capitalism crisis, even when taking into account current changes, is identical to its reaction to the crisis in the 1970s. Therefore, based on the initial definitions of authoritarian neoliberalism, none of the shifts emphasized by the idea of authoritarian neoliberalism, especially after 2008, can be regarded as different in theory or practice. Alternatively, one may argue that the comprehensive examination of this framework can be seen as a *'successful enactment of the authoritarian state model devoid of class-based reasoning.'*

The problem of Eurocentrism stems from the fact that the perception of neoliberalism is the nodal point of the authoritarian neoliberalism. The definitions and perceptions of neoliberalism have been a major point in social sciences because of the arduous interpretation of social and economic reflections of that concept; not only in the

mainstream academic but also in the critical theories of neoliberalism. However, it is believed that the ubiquitous usage of the neoliberalism faded away the zeitgeist of the concept because of the brimming with an array of definitions from different perspectives which has resulted in a situation where what is advantageous for social sciences may hinder our understanding of the transformation of all aspects of social domains. Moreover, the ash cloud that stems from an array of implementation considering the neoliberalism and neoliberal polities is to engender the ambivalence interpretation to express the current brain fog about the terminology issues. Indeed, the concept of neoliberalism, according to Eriksen et al. (2015, 915), has grown so ambiguous and hazy that it conveys no significance. Others indicate the same critique; Wacquant (2012, 68) stamps it as "rascal concept" and Venugopal (2015) argues that neoliberalism has become a term which is overused and without a clear definition and is frequently used in inconsistent and conflicting ways, which is why there are strong justifications for abandoning it. The notion of "leaving behind the neoliberalism" is not sole and unique suggestion; in fact, Dunn (2017, 451) suggest that neoliberalism has become a joker concept to evaluate all social transformation within the wide range of geographies which are not related each other politically and socially. I think that the implementation and strategy of neoliberalism do vehemently not pave the way for the critique that is to be an explanatory tool for social science because the critical literature of neoliberalism primarily aims to comprehend the neoliberalism in order to modify or eliminate it techniques (Lepori 2020, 453). The praxis of the critical understanding of that manner affects the way in which the social sciences is constructed. This construction is not only derived from the notion itself, but rather from the concept's class connections, particularly the ties between the state and capital, and how these influence the change of the state. Neoliberalism is not omnipresent and always visible. Instead, the concept exemplifies the changes in social hierarchy and economic dynamics. These changes have commonalities, but they do not have a direct correlate with the application of the concept in other disciplines thereby the perception of neoliberalism has become an extremely crucial conglomeration wherein the all the social transformations and economic reflections welded together.

In order to examine critical approaches a little more deeply, it is necessary to examine some concepts in the literature. Wendy Brown's (2003) article, "Neoliberalism and the End of Liberal Democracy," exemplifies the Foucauldian critique of neoliberalism, framing it as a political rationality that disseminates market values across all social institutions and actions. Brown argues that neoliberalism recasts all aspects of life in terms of market rationality, mandates that citizens become entrepreneurial and self-responsible, and directs social policies towards these ends. She illustrates this by discussing the post-9/11 erosion of civil liberties in the United States, suggesting that neoliberalism redefines democracy as pervasive entrepreneurialism, prioritizing economic imperatives over democratic values. David Harvey's Marxist critique in "A Brief History of Neoliberalism" (2005) presents neoliberalism as a theory advocating for individual entrepreneurial freedoms within a framework of strong property rights, free markets, and free trade, highlighting its rise to dominance through the breakdown of class compromise and the crisis of capitalist accumulation in the 1960s. Harvey sees neoliberalism as serving the restoration of class power, using the term as a dominant ideology that perpetuates social inequality through accumulation by dispossession. Joshua S. Hanan (2010) adds an epochal perspective, linking neoliberalism to the housing crisis by viewing it as a regime of accumulation, immaterial labor, and control societies. Finally, Aihwa Ong (2006) and John Clarke (2008) suggest more nuanced approaches, with Ong defining neoliberalism as mobile calculative techniques of governing that vary across contexts, and Clarke emphasizing its flexible, context-specific assemblages. These diverse critiques collectively underscore the complexity and contested nature of neoliberalism, urging for more empirical and context-specific analyses.

Hence, this thesis examines neoliberalism as a political economy ideology that promotes the free market and diminishes the influence of the state in the public sphere. Additionally, it is viewed as a class project and involves the collaboration of institutions like the IMF, World Bank, and WTO in various regions. It refers to the imposition of monetary and structural constraints on nations using political or military force to control and influence the dynamics of the free market. This comprehensive definition also provides a more logical examination since it also considers the impact of neoliberalism on the African continent. Regarding the topic at hand, it is worth noting that none of the

fundamental texts that discuss the concept of authoritarian neoliberalism provide a clear definition of neoliberalism. Therefore, since we are uncertain about how neoliberalism is defined, it is not reasonable to argue that the changes that occurred after 2007 are significantly distinct from the preceding period in terms of authoritarianism. Nevertheless, this definition fails to acknowledge that neoliberalism has been incorporated into neoliberalization processes in Africa via coups, military interventions, and political pressures. This has established a framework in which the free market generates substantial profits. The unique circumstance being addressed here is the emergence of authoritarian practices on the European continent. From this viewpoint, it is evident that this endeavor to divide time into periods is undeniably centered on Europe. According to the previous discussions, this study would use a broad and all-encompassing definition of neoliberalism. 1) In the Foucauldian sense, governmentally is the establishment of a system where all social formations are based on market-oriented values. 2) Currently, there is a restoration process underway that involves the redesigning of class struggle and its dynamics through strategies such as primitive accumulation and accumulation by dispossession, as viewed from Harvey's perspective. 3) Additionally, there is a dissemination project being implemented by the "unholy trinity of capitalism" - the WTO, IMF, and WB - to compel countries to adopt free market principles through structural and monetary adjustment programs.

This definition of neoliberalism inherently contradicts the concept of authoritarian neoliberalism, which is characterized by unique qualitative divisions. Moreover, this definition, which attempts to standardize all neoliberalization processes prior to 2008, is not only inaccurate but also exposes its Eurocentric bias. Initially, he disregarded the authoritarian nature of the revolution that occurred in African nations, which included military coups and economic and political conflicts. Additionally, he failed to thoroughly analyze the historical instances pertaining to Europe that he especially studied. In the context of Turkey, the implementation of neoliberal policies following the 1980 coup, as reflected in the January 24 decisions, marked a significant shift towards economic liberalism. Consequently, any attempt to categorize the history of neoliberalism based on periods of authoritarianism is flawed and can be seen as a Eurocentric interpretation. The portrayal of austerity measures in Greece as a remedy for the economic crisis, as well as

the Urban government in Hungary using neoliberal governmentally to establish its long-term control, both highlight the Eurocentric aspects of the notion.

2.4.2 Authoritarian populism

The discourse of authoritarian populism was first introduced by Stuart Hall to analyze the dynamics of Thatcherite politics in the United Kingdom, describing a form of governance that fuses populist rhetoric with authoritarian measures. Hall firstly illuminated how authoritarian populism emerged during the crisis-ridden period of the capitalist state between the 1960s and 1970s ın the *'Policing the Crisis (Hall et al. 2013)* and further explain in the *'Politics of Thatcherism'* (Hall and Jacques 1983) He further stated that the concept originated from Poulantzas' final book, State, Power, Socialism, in which Poulantzas introduced a new form of governance whereby the state controls all socio-economic spheres, diminishes democratic institutions, and curtails formal liberties (Hall 1981b, 116). Hall's analysis, rooted in his critique of Thatcherism in the UK, emphasizes how conservative governments manage to secure mass consent for policies that fundamentally reshape the state and society in favor of Thatcherite policies. Authoritarian populism is to emphasis "a movement towards a dominative and authoritarian form of democratic class politics- paradoxically, rooted in the transforms (Gramsci's term) of populist discontents" (Hall 1981b, 118). Subsequently, Hall's argument leaning into the integration of Gramci's theory of hegemony (*further details:* Akram-Lodhi 2022, 1318–20), where the balance of social forces had changed in terms of political and ideological relationship between the ruling bloc, the state, and the dominated classes (Scoones et al. 2018, 3). Therefore, in the period Stuart Hall characterized as the *'Swing to the Right,'* a new social formation was constructed as a response to the crisis, positioned in opposition to the class-centered politics grounded in Poulantzas' framework of domination and subordination between bourgeoisie and workers, ruling and ruled classes, where democratic institutions and values, as well as Welfare State policies, had not yet been dismantled. This construction is described as a phase in which society and the state are reshaped under a new set of power relations, the formation of new historical blocs, and within the contours of a new philosophical framework (Hall 1979, 15). The aim was to establish a politics that transcends class-based politics by conceptualizing 'the people,' focusing not solely on the working class but on the interest of society as a whole (Scoones

et al. 2018, 3–4).In sum, Jessop et al. (1985, 33) argues that authoritarian populism is a political strategy that appeared in the Thatcherite politics through which a wide range of discontents were drawn towards to *'authoritarian, right-wing solutions to the current economic and political crisis.'* Furthermore, the crucial emphasis on the ideological crisis in the Hall's arguments highlighting that Leftist movements were neglectful of the ideological crisis, unlike Thatcherism, which should have been paying more attention to *'develop alternative vision of future.'*

The concept of authoritarian populism can be interpreted as a cultural expression of Poulantzas' theory of authoritarian statism, which is rooted in Gramsci's ideas of hegemony and ideology. From this perspective, Hall, who presents a definition of populism distinct from contemporary discussions and more aligned with leftist thought, highlights a framework where the individual is brought to the forefront, and the focus of class interests and conflict shifts towards 'the people' which echoes Thatcher's assertion that *'there is no such thing as society,'* (Keay 1987) positioning this redefinition as a response to political crises. Despite Hall's valuable contributions to the populism discourse, his analysis overlooks the role of the Thatcher government's policies on state-capital relations and class structures. This gap, which is generally neglected in populism literature, reveals a limitation in the concept, particularly in its ability to address the social implications derived from examining state-capital interactions. Jessop et al. (1985) have also critiqued Hall's approach, particularly for its conceptual ambiguity and the heavy emphasis placed on ideology. Hall (1981b) countered these criticisms by asserting that his use of ideology was intended to serve as a strategic element, not as a universal explanation for all social phenomena.

2.4.3 Crony capitalism

The different notions explaining the formulation of capitalism in an authoritarian route and redefining the distribution and redistribution methods have been introducing in recent years especially economic and political turmoils had happened both Global North and South. Some connotations of capitalism focus on the distribution model through which whether it has strong monitoring mechanisms to prevent bribery and favoritism, infallible economic regulations to ensure and maintain the conditions of the free market, and

accountability public and private sector structure or not. Compromising the lack of these democratic and monitoring mechanism leads to rent-seeking societies which are titled as classical mercantilism, real-life socialism, state capitalism and crony capitalism (Aligica and Tarko 2014). In its broadest interpretation, crony capitalism originated from the failure to implement the free market principles outlined by the liberal capitalist model, such as the protection of property rights, adequate investment, sufficient capital accumulation, and sustained developmental progress. Consequently, in crony capitalism, the bourgeoisie seek to safeguard their property rights through internal connections with state elites, compensating for the absence of reliable institutional mechanisms to secure these rights (Aligica and Tarko 2014; Harper 2002) Thus, the notion of crony capitalism is welded together to the corruption and rent-seeking, however, it also contains bilateral relations or exchange among the political parties, state elites and firms, providing direct or indirect favors; being in the same religious, political or ideological networks, prioritizing the one party over the other parties (Eliküçük Yildirim and Yilmaz 2023, 367). Additionally, the actors of crony capitalism is not limited to governments and politically aligned cronies; instead, banks and foreign creditors capital groups are part the system through which they can provide cheap and affordable credit for these groups whether by state-own banks, private banks or foreign creditors (Enderwick 2005, 117; Harper 2002, xii). On the other hand, Zywicki argues that the 'wealth can be either created or taken by force from someone else' which means that rent-seeking is a legal mechanism to redistribute wealth one to another (Zywicki 2015, 80). Thus, the purpose of these processes is not to increase wealth, but rather to redistribute it to government-affiliated groups in a legally and socially legitimized manner, where all acquired wealth is secured through relationships between private companies and political elites, rather than through free market dynamics (Zywicki 2015, 81–82). Although there are numerous similarities between rent-seeking and crony capitalism literature, one distinctive feature is yet conspicuous in term of the relations to the government. Rent-seeking can appear through direct, indirect, and rent-sharing model which means that interest groups could either provide direct or indirect benefits for their programs, or different groups share the same benefits from the governments rent-seeking model. In these examples, interest groups are the nodal point of mechanism whereby all parties try to influence state elites to gain economic advantages. However, crony capitalism may also consist of rent extractions,

through which politicians exert pressure on firms or industries by threatening punitive measures or the withdrawal of existing benefits. In this context, lobbying efforts are not aimed at securing advantages but rather at preventing losses that could exceed those of their competitors (Zywicki, 2015, 89–95).

There are various ontological approaches to why the concept is evaluated separately from capitalism. One of the arguments is that bribery, favoritism, and nepotism are not dysfunctions within capitalism. Rather, they reflect a political and economic structure designed to sustain significant economic growth through while establishment of new cronies regarding their political, religious, or ideological alignment with the government, while receiving political and economic support from these groups. Crony capitalism, therefore, constitutes a system in which both the government and economic actors share symbiotic dependencies for their mutual economic and political survival. The other argument is to identify the social relations which is related to the personal and family connection on hiring and promotion processes. Thus, the formulation makes this aspect similar to cultural approaches appeared among the upper echelons of society or between large firms and the political class. Last arguments shedding light on the ontological background is that the crony capitalism is a systemic trend which is referred to as a series of consequences of government interventionist economic policies whereby the system becomes exposed to getting hijacked by the private and political interests (Aligica and Tarko 2014, 157–61).

There are, of course, positive, and negative aspects of crony capitalism. The first positive argument is that rent-seeking policies encourage firms to invest different sector, especially crucial for the government political agenda. Nevertheless, receiving considerable amount of cheap credits from banks, all investment and expenditures of cronies are assured by the government which is led to rising investment and skyrocketing the economic growth rate. The other crucial point is that empirical indications on account of successful economies with rapid growth rates, increasing wages, augmented efficiencies, and production especially in Asia, attract the attention on the crony capitalism. The last positive perspective of crony capitalism is that cronyism could easily overcome the bureaucratic hinderances in the state and the inability or unwillingness of market to invest some sectoral centers. In contrast to the protracted growth typically

required in competitive markets, cronyism leverages mechanisms such as subsidized capital, protectionist tariffs, monopoly privileges, and loss absorption, often accompanied by nationalistic consumer appeals. Moreover, constrained foreign exchange and targeted infrastructure investments are strategically allocated to bolster preferred industries, expediting their advancement (Enderwick 2005, 121–122).

On the other hand, the negative impacts of the crony capitalism could be listed as follows: misallocation of resources, implementing rent-seeking policies and behaviors, leaning into the authoritarian policies on account of the continuation of existing political exchanges between state elites and cronies, and finally, erosion of justice of distribution of income. However, Enderwick also added that the crony capitalism imposes substantial economic costs beyond the commonly cited issue of allocative inefficiency. While existing literature often focuses on the creation and preservation of economic rents, the author argues that it is the combination of factors—such as inefficiency, corruption, and the costs associated with social and political stability—that most severely hinder a crony system's ability to adapt and innovate and its inability to adjust leads to long-term economic instability and crisis, as seen in the aftermath of the 1997 Asian financial crisis (Enderwick 2005, 123–30).

Bearing all this in mind, crony capitalism generally thrives in authoritarian states due to the weakness of state monitoring mechanisms, the deep and indissoluble relationships between state elites and cronies, and the use of authoritarian policies to limit the opposition's maneuvering capacity. In this context, Cengiz (2020) explores how neopatrimonial relations in Turkey have shaped state formation, where patronage and clientelist politics foster loyalty to the ruler, becoming the defining features of the new political system. Cengiz further argues that these relationships are weakening the state apparatus, posing a threat to the state's long-term sustainability. There are diverse interpretations regarding the connection between crony capitalism and authoritarianism. One viewpoint suggests that international institutions such as the IMF, World Bank, and WTO, which were designed to promote free trade and liberal economic principles, have inadvertently facilitated the rise of crony capitalism, particularly through the implementation of neoliberal policies that prioritize deregulation and privatization. These policies, while intended to foster market freedom, often create environments where close

ties between political elites and private enterprises flourish, leading to entrenched economic favoritism (Reinsberg, Kentikelenis, and Stubbs 2021). On the other hand, an opposing argument posits that the concentration of state-owned enterprises (SOE's) further entrenches state monopolization of capital. In this scenario, crony capitalism emerges as a byproduct of state control, where capital is distributed not through open market competition, but through a system of patronage and favoritism. This capital accumulation, occurring outside the framework of free market dynamics, reinforces the state's grip on economic power, deepening cronyism, and undermining market-based economic development (Krueger 2002).

2.4.4 The other current discussions about the state-capital relations

The inquiry about neoliberal transformation has been a current discussion to observe authoritarian tendencies and democratic backsliding not only in Turkey but also in neighbor geographies especially Eastern Europe in the mainstream political science literature. In order to understand that transformation, numerous theories has been proposed to explain current tendencies, economic and politic configurations inside and outside of the state and its relations with capitalist movements and groups. The beginning of the 2000's, Justice and Development Party (JDP) which identified itself as a *conservative democrat* to emphasis the importance of democracy, democratic values and the regime type of the Turkey while considering themselves as conservative, opened a new chapter in Turkish politics in regard to former Welfare Party. During this period, endorsements of EU candidacy, the structural changes in Turkish economy and intensification of accountability mechanisms in the state agencies paved the way the strong believe for the acceleration of democratization (Özbudun 2006). Furthermore, while the JDP administration was enacting numerous laws to restructure state agencies and implement economic measures, Kirişçi (2009) introduced a new theory known as the 'trading state'. This theory emphasizes that Turkey's regional influence would expand, and it could attain greater economic power by pursuing a "zero problem" policy with neighboring countries, which led to increased economic activity. The essential elements of this thesis are the strong and reliable relationships established with the European Union, Turkey's outstanding position in the democratic process of the region, and the remarkable success of achieving these transformations under a conservative government's

tenure.However, after the 2008 global economic crisis, the Turkish politics leaned into more authoritarian trajectories which have been one of the major subjects among scholars. Esen&Gümüşçü (2016) claimed that competitive authoritarianism in Turkey is treefolded: unfair election, uneven playing field (limited and politicized state institutions, uneven media access, limited access to resources), and violation of civil liberties (freedom of expression, repression of opposition, freedom of obtainment of information). The competitive authoritarianism emphasis two main categories regarding to Turkey: 1) The characteristic features of Erdogan' charismatic leadership, personality, and his style of the management and 2) cultural features of the authoritarianism which means religion and regional impediments towards the embracement of the democracy and its values.

The aforementioned theories use a mostly liberal perspective, emphasizing the distinctive attributes of regimes, the cultural and personal influences on the political climate, and, the structural barriers that hinder the functioning of capitalist forms. Nevertheless, critical political economy assessments prioritize the class-based characteristics of the state and underscore the persistence of the authoritarian state structure, alongside any variations in the manner in which authoritarianism is expressed. Unlike the first group, the critical political economists reject the idea that the mid-2010s represent a clear departure from the preceding political period. Furthermore, since its establishment, the AKP has exhibited authoritarian tendencies, which can be attributed to the implementation of neoliberal policies soon after taking power, the rapid and ongoing privatization efforts, and the mounting pressure on the working class. It is worth noting that the attempts at democratization have been driven by internal power struggles and improbable factors (Özden, Akça, and Bekmen 2014, 193). Conversely, the nature of Turkey's political regime is another area of debate. As Oğuz argues, Turkey's path toward authoritarianism has been shaped by distinct characteristics of the exceptional state, particularly resembling fascism when viewed through the theoretical lens of Poulantzas's insights (Oğuz 2016). After the failed coup attempt in 2016, AKP government had declared state of emergency to compete against Gulenist groups among the state structures and military officers. However, Boratav argued that the fasict character of the AKP regime welded with Islamic program to implement the new religious restrictions (Boratav 2017). Moreover, Ahmet İnsel contends that while authoritarian regimes may exhibit certain

fascist traits, it is inaccurate to label political systems such as Erdoganism or Putinism as outright fascist. İnsel's argument highlights the complexity of these modern authoritarian regimes, which, despite sharing repressive features and centralized power structures with fascism, diverge in their ideological foundations and methods of governance (Yıldırım, 2017).

While some use modern authoritarian frameworks, others, like Deniz Yıldırım, apply pre-modern concepts, viewing Erdoğan's rule as an attempt to establish a "Palace Regime" that undermines the secular, republican achievements of the Kemalist-era (Yıldırım 2017). Meanwhile, scholars like Soner Çağaptay see parallels between Erdoğan's political tactics and those of Mustafa Kemal, suggesting that both leaders used top-down approaches to reshape Turkish society (Cagaptay 2018).

The above modernist studies on Turkey's regime types offer a comprehensive overview of debates surrounding democratic institutions, democracy, fascism, and the tension between secular and conservative ideologies. These discussions highlight the complexity of evaluating Turkey's regime structure, showing that multiple perspectives and ideological frameworks yield different definitions, making it challenging and intricate to define the nature of Turkey's political system. Liberal arguments typically emphasize democratic institutions, values, the capacity for free elections, and the opposition's ability to function, even if constrained. The focus in these discussions is often on the degree of authoritarianism and the extent to which liberal institutions coexist with authoritarian tendencies. In contrast, critical theories argue that the AKP government is authoritarian and suggest that this authoritarianism was fully revealed during the Gezi Protests, though it had been nurtured by earlier laws and regulations. Thus, current debates are less about whether the AKP is authoritarian and more concerned with whether this authoritarianism, akin to fascism, falls under Poulantzas's concept of the exceptional state. From this perspective, the relationship between the state and capital also plays a significant role in these discussions. Lastly, from an ideological-cultural viewpoint, the AKP is seen as embodying an Islamic conservative governance model and the construction of a social order, standing in contrast to the secular republic envisioned by Atatürk. These theories enrich the broader cultural and conceptual debates surrounding Turkey's political evolution.

2.4.5. Concluding remarks

Following the rise of authoritarian tendencies during Türkiye's quarter-century under AKP rule, discussions surrounding the nature of the regime and governance have proliferated across a wide body of literature. The concept of authoritarian neoliberalism posits that the state adopted a more authoritarian identity, particularly in response to the 2008 economic crisis. In contrast, debates on authoritarian populism, drawing on Stuart Hall's claim from 1979 that the leftist movements failed to fill the hegemonic void, have been re-theorized in the context of the 2008 crisis. Meanwhile, crony capitalism, rooted in more liberal theory, analyzes the relationship between state elites and capital groups. The key point here is that capital, rather than merely seeking advantages or avoiding disadvantages, engages in these relationships to avoid being excluded from existing privileges. Crony capitalism arises in an economy where free market dynamics are not fully operational, and state intervention, through state-owned enterprises (SEOs) or economic policies, becomes prevalent. Thus, crony capitalism does not present a systemic critique but rather examines how the existing dynamics are shaped within a liberal framework.

In the context of Turkey, other debates also suggest that the degree and form of authoritarianism have shaped political developments. Most studies rooted in critical theory indicate that the authoritarian nature of the AKP government became particularly visible and manifest in explicit policies after 2010, reaching undeniable levels during the 2013 Gezi Protests. Additionally, some perspectives argue that the AKP's rule should be understood as a continuation of the neoliberalization process that began in the 1980s, positioning it as part of a longer trajectory. From this vantage point, it can be observed that there is a broad consensus within the left-leaning literature regarding the authoritarian character of the AKP. Moreover, the rise of fascism-related debates in Türkiye became evident following the failed coup attempt in 2016 and the subsequent declaration of the state of emergency, which culminated in the introduction of the new presidential system. In contrast, more liberal perspectives analyze the situation through the lens of the degree of authoritarianism rather than engaging in a broader critique. One of the most recent discussions, centered around the concept of "competitive authoritarianism," highlights the AKP's extensive control over the legislative, executive, and judicial branches,

particularly with the diminished powers of parliament under the new presidential system. This framework also points to the regime's control over mass media through various coercive means while acknowledging that the opposition retains limited spaces for expression, allows certain organizational actions, and holds free elections that have led to changes in control of local municipalities. This perspective has re-emerged, especially following the electoral successes of various opposition figures and groups against the AKP in recent years. However, it has been argued that interpreting the current system as "competitive" solely on the basis of the opposition's potential to win elections neglects the broader reality. Individual freedoms have been severely restricted, and any statement or action critical of the regime or government is effectively silenced by the judiciary or police force, while labor movements and unions are entirely suppressed. Thus, labeling the existing system as "competitive" fails to capture the full theoretical and practical dimensions of the authoritarian environment. Finally, studies within the frameworks of modernism or cultural studies suggest that the AKP represents a late-counterrevolutionary movement against the foundational elements and values of Türkiye, particularly its secular and republican identity. This conceptualization not only sheds light on how the AKP legitimizes its authoritarian character in the social sphere but also highlights the significance of examining its education, family, women, and child policies, which reveal the broader scope of the party's socio-political agenda.

Overall, Poulantzas still represents one of the most relevant frameworks for conceptualizing how state-capital relations are structured. His work is significant not only for articulating the meaning of the relationships between class, state, and capital within the capitalist mode of production, but also for theorizing how these dynamics shape the form and nature of the political regime that emerges from such systems.

3. THE PARCELLED STATE, TURKEY AND BEYOND

The main topics of discussion include the effectiveness of developmental state programs, the rise of authoritarian tendencies, regime changes in oppressive governments, shifts in the relationship between the state and capital, growing xenophobia, the suppression of labor movements and the labor, and the significant erosion of democratic values. It is expected that interconnected concerns become prominent in discussions regarding authoritarian neoliberalism, as we have seen in the previous section. The primary inquiries raised by this thesis, which may be seen premature, are: 'What justifies an increase in governmental authoritarianism, and does authoritarianism solely serve to quell political opposition?' These two questions demonstrate that the notion results in an ambiguous framework may be interpreted in several ways, including its central focus on the rise in authoritarian tendencies. Thus, this study demonstrates that neoliberalism, which purportedly assumed a more authoritarian character after 2008, seeks to provide a more comprehensive definition by examining the interaction between the state and capital. Ryan's article about the alternative periodizastions for the authoritarian neoliberalism, he says *"This article does not present an alternative periodization – to do so would be the task of a separate article – ..."* (Ryan 2019, 130). Thus, this thesis tries to offer new periodization for the authoritarian neoliberalism. While recognizing the deviation from the usual practices of neoliberalism during the 2008 global economic crisis. However, it asserts that this deviation is not a result of authoritarian inclinations but rather stems from processes related to the *distribution and redistribution of capital.* As stated previously, any classification of the historical development of neoliberalism that focuses solely on authoritarianism would overlook the neoliberalization processes occurring in third world nations. Such a categorization would not provide a comprehensive explanation for countries like Turkey, where the history of neoliberalism began with a coup d'etat or African countries where neoliberalization process was implemented by the military interventions or political and economical sanctions. According to this research, following the 2008 global economic crisis, states began to prioritize the capital factions within the power blocs that they perceived as sharing similar ideologies. In times of political and economic crises, their objective was to prevent these crises from escalating into a state crisis by providing support to the capital groups they had established which is lead us to the concept of *"the parcelled state",* introduced by

Bekmen (2023), primarily focuses on the fragmentation of the state apparatus and institutions by different ideological factions following the 2016 coup. This research examines how the state's economic sphere is divided into fractions according to its own ideological perspective. Instead of allowing the free market to determine the fate of the capital that were privatized or seized from the public by laws and directives, the state distributed them to certain groups, which facilitated the emergence of a new bourgeoisie. The advent of the new bourgeoisie prevented economic and political crises from escalating into state crises and facilitated the development of "postponement mechanisms" (Ercan and Oğuz 2021, 123). According to Oğuz, the presence of this capital blog is crucial for the smooth operation of various mechanisms, such as low wages, extensive employment policies, significant emphasis on the service and construction sectors, social policies aiding the poor, alignment of capital with state development programs, and averting a bourgeois crisis. It plays a vital role in ensuring the regime's continuity and stability.

The state-capital relationship exemplified in Turkey is not a system unique to this country; it appears to be the same in the various countries examined under the category authoritarian neoliberalism. In Kuletskaya's analysis of the Minsk World project in Belarus, the focus lies on its transformation of the former Minsk-1 Airport site into a sprawling residential complex, backed by Dana Holdings (Kuletskaya 2022). Beginning in 2003 and experiencing interruptions due to financial crises, the project was revived in 2013, with Dana Holdings which is not appointed to oversees construction permission. The problem solved by via Lukashenko's presidential decree in 2014 and Dana Holding awarded by the control over the whole project. The venture received substantial subsidies from the City of Minsk, benefiting from complimentary land grants, financial backing for infrastructure, and tax exemptions. Unique legal frameworks tailored for Minsk World facilitated increased building density and relaxed criteria for environmental standards, driving profits for Dana Holdings through the sale of incomplete housing units. Following the 2020 presidential election, the European Council sanctioned Belarus and Dana Holdings for “supporting and benefitting from the Lukashenko regime” (Kuletskaya 2022, 9) few days before the laws took effect, the business moved its financial activities from Cyprus to Dubai, UAE, thwarting the EU's efforts.

The structure, formed by the state-capital connection in Belarus' construction industry, elucidates that the notion of authoritarian neoliberalism is fundamentally a matter of distribution. Dana Holding, authorized by Lukashenko by a presidential order to carry out building in public areas, prevented a potential state crisis by supporting the government during the 2020 presidential elections. Undoubtedly, the state and capital have historically maintained a strong and interconnected bond. Nevertheless, this particular instance exemplifies how the state facilitates opportunities for diverse capital factions to profit from state-controlled domains, while also seeking political backing in exchange. In Hungary, we see another type of a building that has resemblance to the one mentioned before. One of the key aspects of the neoliberal shift that Fabry identifies in Hungary's Orbán regime's economic policies, often referred to as 'Orbánonomics', have been characterized by critics as 'unorthodox' and economic patriotism due to their deviation from neoliberal standards (Fabry 2019, 178). Orbán supports an economy that focuses on a strong *"national bourgeoisie",* Christian-conservative principles, and small- to medium-sized family-owned enterprises and farmers. However, his ideas do not fundamentally contradict neoliberalism since they support the idea of a powerful government upholding capitalist principles of *'law and order'*. Fabry argues that while Orbán's approach may seem unrelated to neoliberal governmentally, the reaction to the neoliberal crisis embodies prospective neoliberal redaction to the crisis of capitalism (Fabry 2019, 178–80) . Similarly, supporting new and politically and ideologically affiliated bourgeoise in the state is an apparatuses to legitimize *authoritarian-ethicist* reaction and to restore the broken *hegemonic aura of the neoliberalism* thorough nationalist indication and ideological programs.

In this thesis, the state – capital relations in Turkish defense industry will be explored regarding the creating the new capital groups or encouraging the existing capital groups to invest in the defense industry while fostering the distribution processes. However, these processes have not been only implementing in the defense industry; the political economy of AKP regime had shaped all economic ground last 20 years. The most important economic groups, which are Cengiz Holding, Kalyon Grup, Kolin Holding, Limak Holding, and Makyol Group, have operated in the infrastructure and construction sectors where they have received numerous government contracts that they now make up half of

the world's top 10 companies to win public tenders covering the major project such as tunnels, highways, airports and hospitals (Tahiroğlu 2022, 3). Clientelist and patronage relations have long been embedded in Türkiye's political landscape. However, the AKP's two decades of uninterrupted rule have solidified and expanded these networks which 'has proved to be qualitatively and quantitatively superior" to its precedents, fostering the emergence of new economic elites that have effectively supplanted the previous secular elites (B. Esen and Gumuscu 2021). Tahiroğlu define these symbiotic relations under the 'crony capitalism' in account of the government contracts, favoritism in the bureaucratic procedures whereby the business elites also support the AKP regime while donating the some AKP-affiliated NGO's or publicly support for Erdoğan (2022, 5).

4. THE EVOLUTION OF TURKISH DEFENSE INDUSTRY

The need for the security is a fundamental and crucial part of the state that shapes all its defense strategies and foreign policies regarding risk of disputes, and even readiness of war or military conflict. Thus, having strong defense industry has been a major exclamation point for state considering the removal of threats using just military option. The historical progress of the Turkish defense industry is a complex and multifaceted journey that reflects the broader historical and economic transformations of the country, shaped by the challenges faced in Turkish foreign policy during different periods and the structure of the Turkish economy. The causative effect behind development of defense industry resembles the active pendulum, swinging back and forth from the need to technology, creating symbiotic relationships in which both of those are extremely important to fostering innovative technologies. To be more clear, just as military officers may feel the need on the battlefield, engineers can also develop innovations that could change the entire dynamics of warfare (Körpe 2022, 16). From this perspective, an economic model can be constructed within the defense-development-capitalism triangle. In this way, we can also argue that the aforementioned triangle can directly influence foreign policy, in addition to development of industrialization.

This section will examine the actors and periods in the development process of the Turkish defense industry, analyzing the background and cumulative accumulation of major advancements in the defense industry during the 2000s. This thesis aims to examine the development of the Turkish defense industry in four sections: 1) Early Republican Period and National Initiatives in the Defense Industry (1923-1950), 2) Breakdowns in the Turkish Defense Industry (1950-1980), 3) Second Leap Period in the Turkish Defense Industry (1980-2020), 4) Development of the Defense Industry from the 2000s to Present and AKP's Domestic and National Defense Industry Initiative.

The first section focuses on the early Republican era, emphasizing the national efforts to establish a self-sufficient defense industry between 1923 and 1950. Under the leadership of Mustafa Kemal Atatürk, the Turkish government prioritized industrialization and national sovereignty, which included the defense sector. Significant milestones included the founding of the Turkish Aircraft Association (Türk Tayyare Cemiyeti) in 1925, which

aimed to develop the domestic aviation industry, and the establishment of the Mechanical and Chemical Industry Corporation (Makina ve Kimya Endüstrisi Kurumu - MKEK) in 1950. These initiatives aimed to reduce dependency on foreign arms and promote indigenous production capabilities, although the industry still faced challenges in technology transfer and resource allocation.

The second section explores the period between 1950 and 1980, marked by significant upheavals and transformations within the Turkish defense industry. The Cold War era brought Turkey into the NATO alliance, leading to increased military aid and cooperation with Western countries, particularly the United States. While this partnership bolstered Turkey's military capabilities, it also fostered a dependency on foreign technology and equipment. Domestic efforts to enhance the defense industry were sporadic and often disrupted by political instability, including military coups in 1960, 1971, and 1980. Despite these challenges, the period also saw the establishment of key institutions such as ASELSAN in 1975, aimed at advancing electronic systems and communications technologies within the defense sector.

The subsequent section covers the significant advancements in the Turkish defense industry from 1980 to 2020. Following the 1980 coup, Turkey embarked on a comprehensive restructuring of its defense sector, focusing on increasing domestic production and reducing foreign dependency. The establishment of the Undersecretariat for Defense Industries (Savunma Sanayii Müsteşarlığı - SSM) in 1985 marked a pivotal step towards a coordinated defense strategy. This period witnessed the rise of major defense companies like TAI (Turkish Aerospace Industries), Roketsan, and HAVELSAN, which began to produce advanced military hardware such as missiles, drones, and electronic warfare systems. The emphasis on research and development, combined with substantial government support, enabled Turkey to become a significant player in the global defense market by the early 21st century.

The final section examines the developments in the Turkish defense industry from the 2000s to the present, highlighting the AKP (Justice and Development Party) government's focus on creating a domestic and national defense industry. Under the leadership of Recep Tayyip Erdoğan, the AKP implemented policies aimed at achieving self-

sufficiency and promoting indigenous technological advancements. Key initiatives included the development of the Altay main battle tank, the T129 ATAK helicopter, and the Bayraktar TB2 unmanned aerial vehicle (UAV), which gained international recognition for their operational success. The establishment of the Presidency of Defense Industries (Savunma Sanayii Başkanlığı - SSB) in 2017 further streamlined defense procurement and development processes. This period also saw a surge in defense exports, solidifying Turkey's position as a notable defense exporter while simultaneously addressing national security needs through increased domestic production.

4.1 Early Republican Period and National Initiatives in the Defense Industry (1923-1945)

During the War of Independence, the Ankara Government encountered significant difficulties in obtaining critical military resources, including firearms, artillery, ammunition, and military vehicles, which had previously been imported from countries that later became adversaries. To address these shortages, the government resorted to capturing war materiel from the Allied Powers through both military engagements and diplomatic treaties. The Soviet Union regarded the Ankara Government's military struggle against Greece, particularly against the British and French, as a war against imperialism and provided military and financial aid to the National Struggle to undermine British dominance in the Straits. However, since the Tripoli War, Turkey had been engaged in constant conflicts, resulting in much of its economic and military administration falling under the control of foreign powers and capital. Despite having declared war on the Ottoman Empire, the Ankara Government also made significant efforts to develop and produce a domestic defense industry during this period (Sezgin 2009, 45–61). Additionally, the Tekalif-i Milliye decrees were implemented to compel the populace to contribute to the war effort by requisitioning resources, with promises of future reimbursement.

The significant military triumphs achieved under these adverse circumstances underscored the urgency of establishing a robust national defense industry as a cornerstone objective for Turkey's nascent Republic, established by Mustafa Kemal Atatürk and the ruling elite. Following the Republic's proclamation, initiatives were

launched to cultivate a domestic bourgeoisie and bolster indigenous production capabilities which was ideologically continuum of Union and Progress Party. After the declaration of Second Constitutional by the Young Turks, there had been a short democratic period where all political and ethnic groups in the Ottoman Empire have a right to be represented in the Ottoman Parliament before the Union and Progress Party leaned on the authoritarian regime diminished the democratic atmosphere. However, the Party had launched series of developmental projects, including the banks, agriculture, small scale of industries in the Ottoman Empire to bolster the economy and production before theWorld War I (WW1) occurred (Ergin, 2017; Karbi, 2020). However, improving the empire's economy was not the only objective; the establishment of a national bourgeoisie was also a key component of the political economy during this period (Ergin, 2017; Gedikli Berber, 2011).

Upon analyzing the economic strategies pursued after the founding of the Republic of Turkey, it is clear that prioritizing the creation of a national bourgeoisie, and bolstering the national economy remained central goals. Additionally, the Treaty of Lausanne marked a pivotal moment as it annulled economic restrictions such as capitulations, previously imposed on Ottoman territories, and restructured foreign debts into manageable installment plans allocated across different creditor nations. This economic liberation facilitated substantial investments by both private enterprises and the government, laying the groundwork for Turkey's post-war economic recovery and industrial development. In line with this, Turkey sought to curtail the influx of imported goods by establishing factories, not only in the defense sector but also across various essential industries.

The establishment of a national defense industry was not only as a matter of military necessity or one of the dimensions of developmentalism but also as a means to secure economic independence and political sovereignty. The early Republican reforms aimed at transforming Turkey's industrial and economic sectors were integral to Atatürk's broader vision of creating a modern, self-sufficient nation. During this era, considerable attention was given to industries connected to defense, with substantial investments allocated to the development of factories and production facilities for military equipment, including arms and ammunition. The government's focused efforts to stimulate industrial

growth fostered favorable conditions for the emerging national defense industry. The initial achievements in establishing this sector formed the basis for Turkey's long-term defense capabilities, enhancing self-sufficiency and mitigating dependence on external forces. In the following decades, Turkey continued to grow its defense industry, a testament to the enduring influence of these foundational reforms on the country's defense strength and economic stability.

4.1.1 Overview of economic and development policies

The concept of a National Economy, which the Committee of Union and Progress Government attempted to implement but could not fully realize due to regional and global wars, became a continuation of the economic objectives of the republican elite. The limited industrial investments of the Ottoman Empire had left the newly founded Republic of Turkey with significant economic challenges. The lack of both domestic and foreign capital necessitated a proactive state role in economic development. This period saw the initiation of strategic investments in key industries and infrastructure projects, aimed at fostering a domestic bourgeoisie capable of driving further economic growth. The convening of the İzmir Economic Congress was a critical step in this direction, serving as both a platform to articulate the economic aspirations of the new Republic and a signal of its commitment to economic independence and modernization. Given the limited industrial investments of the Ottoman Empire and the lack of domestic and foreign capital within the country, the state aimed to accelerate investments in critical sectors and establish a national bourgeoisie. The convening of the İzmir Economic Congress while negotiations for the Treaty of Lausanne were ongoing, demonstrated the Ankara Government's resolute stance on issues such as the abolition of capitulations and the restructuring of foreign debts, highlighting the Republic's commitment to economic freedom and development (Ünlü 2012, 65–71).

Izmır Economic Congress mainly discussed the fundamental understanding of economy and the route of the development of Turkey's industry and agricultural production. Since all the participants of Congress were Turks (Yılmazer 2018, 27) , The discussions at the Congress, including preparations for the enactment of the Law for the Encouragement of Industry (Teşvik-i Sanayi Kanunu) and deliberations on leaving the economic sectors in

which the state would invest to the free market after establishing their economic foundations, indicate that the first decade of the Republic was built on a liberal economic understanding. (Yılmazer 2018, 28). The topics discussed at the Congress, aimed at determining the initial economic steps of the newly established Republic, included agricultural and industrial regulations, customs duties, and taxation systems. Additionally, the establishment of national banks to finance these investments and the enactment of incentive laws were deliberated. The abolition of the religious tax (öşür) and its replacement with a modern taxation system were also achieved during this Congress. Furthermore, the prohibition of employment for individuals under the age of 18 and the formal designation of workers as "laborer" represent significant legal regulations in the economic sphere (Üğe 2010, 16–18). One of the most fundamental determining factors in the economic sphere leading up to the Great Depression of 1929 was the policy of maintaining a balanced budget with regular payments. Following the İzmir Economic Congress, the first official budget, the 1924 fiscal budget, recorded a surplus. Although the subsequent 1925 fiscal budget closed with a deficit due to the time required to solidify the new indirect taxation system intended to replace the abolished tithe tax (öşür), the subsequent years managed to close with a budget surplus. This reflects the early efforts of the Republic to establish fiscal discipline and create a stable economic foundation amidst significant transitions in its economic policies (Çoşar 1995, 259-260; as cited in Üğe 2010, 19). One of the major problems with industrial initiatives during the Committee of Union and Progress era was the Ottoman Bank, which was entirely foreign-owned and served as the Ottoman Empire's central bank, thereby hindering investments. This issue persisted into the early Republican period. To address the credit problem, several national banks were established: Ziraat Bank, Türkiye İş Bank, the Industrial and Mining Bank, and the Real Estate and Orphans Bank. These institutions aimed to eliminate the credit shortage and support economic development (Ünlü 2012, 79–85).

In an era when the successes of planned economies, such as those in the Soviet Union, were garnering significant interest, the implementation of the First Development Plan (1934-1939) and the Second Development Plan (1938-1943) marked a period of intensified state-led economic policies. These plans underscored the Republic's focus on state intervention in the economy to achieve rapid industrialization, economic self-

sufficiency, nationalization of Turkey's economy. After the Great Depression, the liberal economic policies were become impossible to implement because of both universal suffrage for the financial resources and and fundamental problems in Turkish economy such as insufficient capital accumulation, the lack of entrepreneurs, especially national entrepreneurs and shortage of qualified labor force and unemployment (Özyurt 1981, 121). The First and Second Development Plans were instrumental in this transformative period which was inspired by the successes observed in the Soviet Union's planned economy, these plans were comprehensive blueprints for Turkey's economic modernization. However, in these developmental plans, Soviet Russia and Italy were the main creditor groups for the Turkish Republic due to the restrictions on the credit sources. Turkey prioritized the establishment of heavy industries, infrastructure development, and the creation of state-owned enterprises. These initiatives were crucial in laying the foundations for Turkey's industrial base and reducing the country's dependence on foreign imports. Moreover, the implementation of these plans reflected a broader ideological shift towards state-led economic management, a departure from the more liberal economic policies of the late Ottoman period, but also the sign of an alignment with global capitalism in order not to be excluded from the western world and economy (Küçükkalay 1998, 111–40).

Overall, the Turkey's economy was characterized by a focus on achieving economic self-sufficiency, fostering industrial growth, and building a robust national economy capable of withstanding external pressures. The transition from the Ottoman Empire's limited industrial investments to the Republic of Turkey's ambitious state-led development plans marked a significant evolution in the country's economic policy. The initiatives undertaken during this period laid the groundwork for Turkey's modern industrial economy and underscored the importance of state intervention in achieving economic independence and growth. The legacy of these early efforts continues to influence Turkey's economic policies and development trajectory to this day.

The First Five-Year Industrial Plan, implemented in 1934, was Turkey's initial comprehensive state-led industrial strategy. The primary objectives of the plan included promoting agricultural and natural resource-based industrial production, prioritizing the domestic production of essential consumer goods previously subject to import, and

strategically locating industrial units close to raw material and labor sources. Looking at the periods during which the plan was implemented, the share of the industrial sector in the national income increased from 10% in 1927 to 16% in 1938 (Yılmazer 2018, 40). The plan targeted the establishment of approximately 20 factories across various sectors: the Textile Sector (Cotton, Hemp, Wool), the Mining Sector (Iron-Steel, Sulfur, Copper), the Paper Sector (Cellulose), the Chemical Sector (Artificial Silk, Phosphoric Acid, Superphosphate, Lime, Matches), and the Stone-Earth Sector (Glass, Cement, Bottles, Ceramics). The First Five-Year Industrial Plan was successfully executed, driven by the progress made during the preceding years. Between 1934 and 1938, the period of the plan's implementation, national income saw an average annual growth of 0.6%. Despite a temporary 0.9% decline in 1934-1935, the industrial sector's contribution to national income increased notably, growing from 10% in 1927 to 16% by 1938 (Üğe 2010, 21–25).

Despite the general success of the First Five-Year Industrial Plan, the Second Five-Year Industrial Plan, though prepared, was never implemented due to the onset of World War II. This second plan also aimed to increase domestic production through import substitution industrialization policies, establish facilities to produce intermediate and capital goods, and boost exports. The second plan, while focusing on the production of intermediate and capital goods (such as machinery, measuring instruments, metal processing, shipbuilding, chemicals, cement, and food), was more comprehensive and detailed compared to the first one. It included not only macro-level strategies but also the income-expenditure and profitability statuses of the facilities established so far. Additionally, the plan discussed new modernization and development techniques. (Yılmazer 2018, 41). However, the war hampered these objectives from being realized.

World War II marked a period in which Turkey adhered to a policy of active neutrality and made significant efforts to avoid entering the conflict. Despite these efforts, the threat of occupation by both warring blocs loomed large. During this time, a substantial portion of Turkey's economy was allocated to defense spending. Moreover, the conscription of a large segment of the population led to a halt in production and investment. Turkey's policy of active neutrality and the inadequacy of its military forces to engage in total war also resulted in the country receiving military aid from various nations.

As World War II was drawing to a close, Turkey declared war on Germany, positioning itself to benefit from the establishment of international financial institutions such as the World Bank and the International Monetary Fund, which were created to facilitate the reconstruction and development of Europe. The United States, through the Marshall Plan, provided extensive aid to many European countries as part of a strategy to contain the Soviet Bloc and increase American influence in the region. This aid aimed to accelerate regional development and strengthen the U.S.'s position in post-war Europe.

Under the aid agreement signed between Turkey and the United States in 1946, Turkey received a significant amount of financial and military assistance. Additionally, it received surplus military equipment, including tanks, vehicles, and weaponry, which were no longer needed after the war. However, the use of these weapons was subject to U.S. approval. The agreement also included the provision of various agricultural tools to boost agricultural production, which was particularly beneficial for Turkey, given that a large portion of its population relied on agriculture for their livelihood. This aid package, under the Marshall Plan, appeared to be an advantageous offer for Turkey, especially in light of its economic and military needs in the post-war period.

4.1.2 New republic and defense industry

An essential element of the Republic's development initiatives was the enhancement of the defense industry, which was consistently intertwined with development plans. The disarmament and surrender requirements enforced by the Mondros and Treaty of Sèvres, in addition to the scarcity of ammunition and weapons during the War of Independence, emphasized the necessity of promoting domestic manufacturing in the defense sector. The demobilization of the army was intended, but it was deemed unfeasible due to concerns regarding Italy's expansionist tactics in Anatolia, the unsolved Mosul Issue with the British, the Sheikh Said insurrection, and tensions with Greece. Within this framework, the Turkish government placed great importance on the creation and improvement of a national military sector. The primary objective was to cultivate self-reliance in military manufacturing to mitigate vulnerabilities caused by dependence on foreign entities. The Republic allocated funds to establish companies and facilities dedicated to the production of weaponry, ammunition, and other military apparatus. These endeavors played a crucial

role in guaranteeing the nation's ability to protect itself in the face of regional threats and internal strife. The incorporation of defense industry initiatives into wider development strategies resulted in beneficial cross-industry effects, as technological progress and industrial expansion in the military sector positively impacted civilian industries.

The comprehensive approach to development played a significant role in the swift modernization and industrialization of Turkey during the initial years of the Republic. (Zengin 2023, 137). In the War of Independence, the General Directorate of Military Factories (Askeri Fabrikalar Genel Müdürlüğü – AFGM), which was founded in 1921, played a vital role in centralizing and organizing several industrial facilities, minor workshops, and depots under one administration. This institution had a crucial role in overseeing the production of all ammunition and weapons. It was integrated into the Machinery and Chemical Industry Institution (Makine ve Kimya Endüstrisi Kurumu - MKEK) (Sezgin 2009, 73). The strategic significance of this project established the foundation for future military industry initiatives in the Turkish Republic. Also, the military industry of the Republic prioritized the dispersion of manufacturing from Istanbul to areas such as Kayseri and Kırıkkale, with the aim of improving security and promoting industrial growth throughout Anatolia.

Additionally, the Republic's defense strategy involved the strategic importation of weapons through advantageous agreements and the utilization of international military assistance, particularly during the interwar period. This approach was shaped by earlier events, especially the 1914 crisis when the British seized two Ottoman battleships, Reşadiye and Sultan Osman-ı Evvel, despite payment having been made. This incident highlighted the risks of relying on a single foreign supplier and significantly influenced the Republic's procurement strategy, prompting a more cautious and diversified approach. The early Republican authorities sought to avoid the negative consequences of dependency on imported arms, a lesson learned from the Ottoman era, recognizing the potential for geopolitical conflicts. Consequently, they exercised greater caution in arms agreements and actively pursued alternative sources, particularly favoring Italy, and the Soviet Union. This preference arose due to the reluctance of France and Britain to engage in arms trade with the newly established Republic. Furthermore, during the interwar

period, efforts were made to ensure interoperability among various imported military platforms, thereby avoiding logistical challenges during conflicts. (Egeli et al. 2024, 7)

4.1.2.1 State initiatives

In the restructuring of the Republic's military factories, the large factories and small workshops affiliated with 'İmalat-ı Hayriye' from the Ottoman era played a pivotal role. These workshops and factories, which had been partially utilized to supply military ammunition during the War of Independence, were modernized and converted into advanced production facilities following the establishment of the Republic, with many of them relocated to Anatolia. The Ankara Gun Factory was also founded as a continuation of the factories in Zeytinburnu. Furthermore, to enhance production capabilities and address urgent needs, the production line was upgraded and expanded through a contract awarded to the German company Fritz Werner. Likewise, the tender for the Silahtarağa Cartridge Factory was awarded to French companies under the condition that two Turkish companies would be established, with the state providing half of the required capital. Similarly, the Kırıkkale Arms Factory project was granted to the German company Gutehoffnungshütte Raynmetal Borsing. However, due to the outbreak of World War II and challenges in training the necessary personnel, the factory began production in 1939 with assistance from skilled workers brought in from military factories across the country (Sezgin 2009, 74–80). In addition, Turkey has engaged into a collaborative investment agreement with German manufacturer Junkers to construct the Kayseri Aircraft Factory. The objective of this venture is to manufacture military aircraft such as the A-20 and A-20W Havoc, as well as civilian aircraft like the F-13. This relationship demonstrates the strategic alliance between Germany and Turkey in the early Republican period, showcasing Turkey's endeavor to establish an independent defense sector by utilizing German technological knowledge and resources (Egeli et al. 2024).

Table 1 Defence factories founded between 1923-1952

Factory	Open	Close	Location	Capital	Subsector	Production
Ankara Gun Factory	1921	MCIC	Ankara	Owned by the state	Guns, ammunition	Rifles, gun barrels
Ankara Carpenter Factory	1924	MCIC	Ankara	MCIC	Guns, ammunition	Military accessories
Silahtaraga Cartridge Factory	1925	1968	İstanbul	Owned by the state	Guns, ammunition	Cartridges
Şakir Zümre Blockbuster and Gun Factory	1925	1970	İstanbul	Founded by Şakir Zümre	Guns, ammunition	Blockbusters, grenades, pistols
Kayseri Aircraft Factory	1926	1942	Kayseri	Established in partnership with the German Junkers company and the Republic of Turkey	Aviation	Aircraft
Eskişehir Aircraft Repair Factory	1926	1942	Eskişehir	Owned by the state	Aviation	Aircraft repair
Gazi Cartridge Factory	1928	MCIC	Ankara	MCIC	Guns, ammunition	Cartridges, bullets
Rice Casting Factory	1928	MCIC	Kırıkkale	MCIC	Guns, ammunition	Rice, fuses, cartridges, bullets
Kırıkkale Ammunition Factory	1929	MCIC	Kırıkkale	MCIC	Guns, ammunition	Bullets, repairs
Nuri Killigil Gun Factory	1930	1949	İstanbul	Founded by Nuri Killigil	Guns, ammunition	Pistols, bombs, cartridges, mortars, bullets
Capsule ve Bullet Factory	1931	MCIC	Ankara	MCIC	Guns, ammunition	Capsules, bullets, fuses, cartridges
Kırıkkale Steel and Iron Casting Factory	1932	MCIC	Kırıkkale	MCIC	Machinery, equipment	Raw material
Kırıkkale Rifle Factory	1934	MCIC	Kırıkkale	MCIC	Guns, ammunition	Pistols, rifles
Mamak Gas Mask Factory	1935	MCIC	Ankara	MCIC	Machinery, equipment	Gas masks, mines

Nuri Demirag Aircraft Factory	1936	1949	İstanbul	Founded by Nuri Demirag	Aviation	Aircraft, airliners, trainer aircraft
Kırıkkale Nitrocellulose Gunpowder Factory	1937	MCIC	Kırıkkale	MCIC	Guns, ammunition	Gunpowder
Kırıkkale Gear Factory	1938	MCIC	Kırıkkale	MCIC	Machinery, equipment	Gear for motor vehicles
Erzurum Gun Factory	1938	Continuing	Erzurum	Owned by the state	Guns, ammunition	Cannon balls, rifle repairs
THK Etimesgut Aircraft Factory	1940	1962	Ankara	Owned by the state	Aviation	Aircraft, ambulance aircraft, trainer aircraft
Elmadag Gunpowder Factory	1943	MCIC	Ankara	State-private partnership established by contract in 1926; later expropriated	Guns, ammunition	Gunpowder
THK Gazi Aircraft Motor Factory	1945	1954	Ankara	Owned by the state	Aviation	Aircraft motors
MKEK (Mechanical and Chemical Industry Company)	1950	Continuing	Ankara	Owned by the state	Guns, ammunition	Guns, ammunition, ballistic missiles, explosive material, chemicals

Source: (Kurt and Şehitoğlu 2022, 17)[2]

The table lists various factories in Turkey, detailing their opening and closing years, locations, capitals, sub-sectors, productions. For instance, the Kırıkkale Nitrocellulose Gunpowder Factory opened in 1937 and is categorized under the guns and ammunition sub-sector, producing gunpowder. Similarly, the Kırıkkale Gear Factory, which opened in 1938, falls under machinery and equipment, producing gear for motor vehicles. The Erzurum Gun Factory, still in operation since its opening in 1938, specializes in guns and ammunition, particularly cannon balls and rifle repairs. In the aviation sector, the THK Etimesgut Aircraft Factory operated from 1940 to 1962 in Ankara, producing various

[2] In some studies that have conducted this catalogue, the dates of some organizations differ from each other. For related studies, see: (Zengin 2023).

aircraft. Another aviation factory, THK Gazi Aircraft Motor Factory, was operational from 1945 to 1954, focusing on aircraft motors. The MKEK, founded in 1950 and still operational, produces a wide range of military equipment, including guns, ammunition, and ballistic missiles. The list also includes the Kayseri Aircraft Factory (1926-1942), Eskişehir Aircraft Repair Factory (1926-1942), and the Gazi Cartridge Factory, established in 1928, still operational under MCIC. Additionally, the Nuri Killigil Gun Factory (1930-1949) and the Şakir Zümre Blockbuster and Gun Factory (1925-1970) are notable for their contributions to the guns and ammunition sector, producing pistols, bombs, cartridges, and more. Other factories like the Capsule ve Bullet Factory (1931), Kırıkkale Steel and Iron Casting Factory (1932), Kırıkkale Rifle Factory (1934), and Mamak Gas Mask Factory (1935) played significant roles in producing various military equipment and raw materials. Lastly, the Elmadag Gunpowder Factory, established in 1943 as a state-private partnership, continues to produce gunpowder. This comprehensive list highlights the diverse industrial landscape in Turkey, emphasizing the significant contributions of these factories to the nation's military and aviation sectors.

Investments were not confined to infantry alone; significant progress was also made in bolstering Turkey's air and naval forces. By 1923, Turkey's air fleet consisted of 64 aircraft of various types, purposes, and sizes. This fleet included 12 aircraft purchased from France under the Ankara Treaty, 27 acquired from Kuşadası and Antalya ports under Italian control, 26 bought from Germany with financial assistance from Soviet Russia, and 24 planes left behind by Greek forces when they withdrew from Anatolia (Sezgin 2009, 103). The founding of the Turkish Aeroplane Society (Türk Tayyare Cemiyeti - THK) in 1925 was a momentous milestone in the development of aviation in Turkey to organize and implement the necessary steps for bolstering air forces. The income sources of the THK were primarily generated through indirect taxes. Examples include the collection of fitra and zakat from the public, a tax on the cost of a single cigarette in each pack, revenue from the operation of the mercury mine, and the income from the first harvest of the Uşak Sugar Factory each year. Additionally, Atatürk donated all the royalties from his book ‘Nutuk’ to the THK (Sezgin 2009, 105).

In that same year, a contract was entered into with Junkers Aircraft Factory Inc., under the leadership of German Professor Junkers, resulting in the establishment of the Aircraft

and Automobile Turkish Inc. (TOMTAŞ) (Yalçın 2010). Under the agreement with the Junkers company, a factory was to be established in Eskişehir to handle basic aircraft repair and modification operations, while another factory would be opened in Kayseri for aircraft production. Nevertheless, the firm was unable to meet its contractual responsibilities, leading to the transfer of all its shares to the THK and its consequent cessation of operations (Dervişoğlu 2014). The cancellation of the agreement with Junkers led to the involvement of the American company Curtiss-Wright (The Curtiss Aeroplane and Motor Company Inc.). According to the agreement signed on October 21, 1931, Turkey planned to purchase 32 fighter jets, 4 passenger planes, and 6 Fledgling-type trainer aircraft from Curtiss, with assembly taking place at the Kayseri factory. By 1933, the factory began producing CURTISS HAWK-III aircraft. Production at the Kayseri aircraft factory, however, was not limited to the HAWK-III model (Sezgin, 2009, p. 117).In 1936, Poland's Pantswowe Zaklady Lotnicze (PZL) Company entered into agreements, resulting in the manufacturing of PZL aircraft. A total of 176 aircraft were manufactured at the Kayseri Aircraft Factory from 1926 to 1938. The Etimesgut Aircraft Factory was founded during the period of 1939 to 1941, and by 1948, it had manufactured a total of 172 aircraft (Zengin 2023, 148).

Table 2 National Aircraft Production

Aircraft Type	Usage Purpose	Production Quantity	Production Years
Junkers A-20	Fighter-Training	30	1926-1928
Junkers F-13	Liaison Transport	20	1926
Curtiss Hawk-II	Fighter	46	1933-1939
Curtiss Fledglink 2C1	Training	7	1933
Gotha GO-145A	Training	46	1936-1939
PZL P-24A	Fighter	6	1937
PZL P-24C	Fighter	11	1937
PZL P-24G	Fighter	10	1938

Source: (Sezgin 2009, 118)

Table 2 clearly illustrates the remarkable acceleration in the development of aviation and air forces during the Early Republic Period. This growth underscores the complexity of the aviation sector, revealing that substantial technical knowledge and expertise were required to establish and maintain a robust air force. The acquisition of this expertise was enabled by technology transfers, which were secured through a series of strategic

agreements with foreign partners. These agreements played a crucial role in the modernization of Turkey's aviation infrastructure, facilitating the production, maintenance, and operation of advanced aircraft, and laying the foundation for future progress in the field. After the Treaty of Lausanne declared the Bosporus as an international zone, the creation of a new shipyard in the Sea of Marmara became a matter of great importance. The ships requiring maintenance were relocated to the Gölcük basin, where endeavors were initiated to build a novel shipyard. This expansive complex, presently serving as the headquarters for the Naval Command, remains operational at present.

Despite the inadequate infrastructure inherited from the Ottoman Empire, the growth of Turkey's defense sector during the Early Republican Period advanced swiftly. The military industry facilities developed by the Ottomans over a period of two centuries underwent significant restructuring in the first two decades of the Republic. The emergence of state enterprises played a crucial role in the sector, with the transfer or closure of certain facilities being a noteworthy development. The facilities built during the National Struggle era served as the basis for the development of the contemporary defense industry. An examination of this list demonstrates that the defense industry institutions and production facilities developed by the Ottoman Empire over a span of two centuries were established over a remarkably little period of only 20 years. State enterprises are considered essential for the advancement of the defense sector. Furthermore, it is worth mentioning that the military industrial institutions that were founded during the early Republican period were either transferred to different divisions or shut down entirely.

4.1.2.2 Private Initiatives

A portion of the defense industry initiatives during the Republican era consisted of private enterprises. None of these early ventures managed to sustain their operations and thus are considered unsuccessful attempts. These initiatives, focused on various fields such as aircraft, weapons, and ammunition, were undertaken by individuals appointed by the state or those who, through their private efforts, aimed to contribute to the development and strengthening of the defense industry. Despite their initial promise, these private

enterprises faced significant challenges, including limited technological infrastructure, financial constraints, and geopolitical pressures, which led to their inability to maintain long-term success. One of the most outstanding examples of altering the efforts by implementing bureaucratic procedures and and power of interest groups in the government was Vecihi Hürkuş, who has first aviation combat victory during the World War I, on the Caucasian Front in 1917. Vecihi was also the main heroic character during the Independence War, for flying over Greek' troops position to capture on-site observation and been able to first enter into İzmir airspace while shooting down the Greek aircraft. He later designed the Vecihi K-VI, the first Turkish aircraft built with domestically produced materials. However, bureaucratic hurdles prevented him from receiving a flight certificate, leading him to conduct a test flight without official permission. This act resulted in the confiscation of his plane and his resignation from the Air Force. Hürkuş continued his efforts to develop Turkey's aviation industry by working with organizations like TOMTAŞ, a Turkish-German aviation partnership. However, foreign lobbying and internal bureaucratic resistance led to TOMTAŞ's closure in 1928. Undeterred, Hürkuş independently designed aircraft, including the Vecihi XIV, which received international certification but was denied official approval in Turkey. Under Mustafa Kemal Atatürk's guidance, Hürkuş furthered his education in Germany, earning an aircraft engineering diploma in 1939. Despite his qualifications, the changing political landscape after Atatürk's death marginalized his efforts. He was denied recognition as an engineer and faced bureaucratic barriers that stymied his projects. Hürkuş's legacy was tarnished by persistent bureaucratic resistance, foreign influence, and discrediting campaigns. Even posthumously, his achievements were overshadowed by efforts to portray him as a dreamer rather than a visionary (Çam 2022, 56–61).

Similarly, the efforts to produce military equipment and munitions by private entrepreneurs like Nuri Killigil showcased the ambitions of these early industrialists. Nonetheless, the lack of sustained support and the nascent stage of Turkey's industrial capabilities hindered these enterprises from achieving their goals. Despite these setbacks, the attempts of these private enterprises laid the groundwork for future advancements in Turkey's defense industry. They highlighted the need for a more robust and supportive industrial policy and paved the way for subsequent state-led initiatives that eventually

contributed to the country's self-sufficiency in defense production. The legacy of these early efforts remains significant as they represent the initial steps towards a modern, independent Turkish defense industry.

One of the most important entrepreneur, Nuri Demirağ whose surnames was given by the Atatürk himself because of the crucial role for wining the tender on establishing the national railways and having great success in the field. Demirağ had been already in the industry in the new republic, and he was a major role-model for the composing national bourgeoise. After these reputations, Demirağ laid the foundation of the aviation industry in Beşiktaş in 1936, calling Beşiktaş Aircraft Factory which was the first private firm aviation sector. He was not only in the establishment of private sector in the aviation industry but also opened the 'Sky School' in Sivas and building an aviation complex including airport, hangar, and workshops in Yeşilköy where today's Atatürk Airport is located (Kurt & Şehitoğlu, 2022, p. 160).He also succeeded producing single-engine Nu D.36 manufacturing in 1936, and the Nu D.38 six-seat double engine passenger aircraft in the Beşiktaş Factory. Additionally, Between 1937 and 1938, the Turkish Aeronautical Association (THK) commissioned Demirağ's Beşiktaş factory to produce ten training aircraft and 65 gliders. In 1942, the Ministry of National Defense decided that Demirağ's facilities would handle the repair and supply of spare parts for aircraft, engines, and land vehicles for the Air Force e However, the high per-unit costs in the production processes and the political and economic challenges brought on by World War II led to the termination of this endeavor. Despite these efforts, the adverse conditions of the time prevented the long-term success of Demirağ's contributions to the Turkish defense industry (Yalçın 2016, 208-211 cited in Kurt and Şehitoğlu 2022, 160).

Another entrepreneur, Nuri Killigil whose establishment of Zeytinburnu Ironware Factory in 1930 produced wide range war gadgets not only pistols, bombs, cartridges, mortars, and cannonballs(Kurt and Şehitoğlu 2022, 159). Nuri Killigil served in the military during the First World War, particularly in Tripoli, and was appointed head of the Caucasus Islamic Army due to his close relationship with Enver Pasha. Later, through his association with Kazım Karabekir Pasha, he participated in the War of Independence on the Eastern Front. After the war, Killigil established a factory on state-allocated land where he produced a wide range of munitions, exporting some of these products to

countries like Egypt and Pakistan. He tragically lost his life in a factory explosion in 1949 (Sezgin 2009, 99–100).

Şakir Zümre who produced various military equipments during the War of Independence, also had very good relations with state and craftsmanships. He wanted to establish a factory on the ruins of the Karaağaç Tapa Factory in Golden Horn district of İstanbul, and because of the good relations, his request was granted. Turkish Warfare Equipment Factory was established to produce aircrafts bombs, grenades, and the pistols of various wight (1kg to 900kg). Also, Zümre produced first aircraft and submarines bombs used by the Turkish Air Forces in the Turkish Repbulic. The Turkish Warfare Equipments Factory was also the first private-firms making a bomb trade agreement with Greece worth 1.5 million Turkish Lira (Kurt and Şehitoğlu 2022, 158).

4.1.3 Concluding Remarks

Following the Turkish War of Independence, Türkiye, despite being on the verge of an economic catastrophe and surrounded by Great Powers, successfully established the foundations of its defense industry. This economic model, which can be characterized as a struggle for economic independence following the political struggle for independence, led to the development of a state-led growth strategy. In this context, early Republican efforts in the defense industry prioritized domestic production. In agreements with foreign companies, the establishment of production facilities in Turkey, the creation of joint production lines, and the development of a skilled workforce were key objectives. Three critical aspects regarding the development of the defense industry during this period stand out. First, as previously noted, the economic and bourgeoisie-building policies initiated by the Committee of Union and Progress under the "National Economy" framework were sustained after the proclamation of the Republic. In reaction to the oppressive terms of the Treaty of Sèvres and the ensuing independence movement, the Republic of Türkiye placed equal importance on economic independence alongside political independence. The creation of a national bourgeoisie was viewed as a crucial step toward fostering indigenous entrepreneurs. However, it is important to note that the concept of the "national bourgeoisie" evolved over time within Turkish political life. For the Committee of Union and Progress, the national bourgeoisie primarily signified a

"Muslim" identity, whereas for the Republic, it embodied the "Turkish" identity. Furthermore, the emphasis on domestic production, utilizing local resources, and reducing imports was seen as a means to decrease both economic and political dependence. Another important point is that Türkiye, despite having France as a neighbor in Syria and the UK as a neighbor in Iraq, managed to form various agreements in the defense sector, including technology transfers, without disrupting its diplomatic relations. The strict monitoring of these agreements and the ability to cancel them if deemed necessary also demonstrate Türkiye's strong diplomatic relations with the Great Powers. To sum up, Türkiye aimed to decentralize its military investments by establishing factories across Anatolia, thereby distributing employment and production. Cities like Kırıkkale, Eskişehir, and Kırklareli, which have since become centers of the defense industry, benefited from these investments, contributing significantly to their local economies. In conclusion, the Early Republican period saw a major leap in the defense industry, achieved under limited resources and budget constraints, with investments carefully planned to benefit the national economy for many years to come.

4.2 Breakdowns in the Turkish Defense Industry (1945-1974)

As part of the broader Marshall Plan initiated by the United States to support the recovery and stabilization of war-ravaged Europe, Turkey benefitted from critical economic and military aid. The Marshall Aid received by Turkey up to the 1950s represented a pivotal advancement in both its security, agricultural, industrial and infrastructure sectors. Marshall Plan provided a vast amount of credits and to use in Turkish agriculture, by introducing modern farming technologies and equipment, sustaining the requirement of liquidity for industrial expansion while also strengthening the Turkey's ability of defense. In the immediate aftermath of World War II, Turkey's policy of 'staying out of the war,' (Ünalp 2020) which had been maintained throughout the conflict, posed the risk of marginalization within the newly emerging international order. As a country that had begun rebuilding its entire industrial base, faced disruptions to its development plans, and had significantly increased military spending during the war, Turkey sought to capitalize on the benefits of peacetime. However, it was equally cautious of becoming entangled in potential post-war conflicts, given its military and economic vulnerabilities. After the

war, rising security concerns were triggered by the failure to renew the peace treaty with Soviet Russia. During a bilateral meeting, the Soviet ambassador's remarks to his Turkish counterpart, referencing Tsarist Russia's occupation of Kars and Ardahan during World War I and raising the prospect of Soviet annexation of these regions, intensified these concerns. Additionally, the Soviet Union had anticipated revision of Montreux Treaty, for joint control of Dardanelles and requested the free passage for the Soviet Warships (Birinci 2007, 36). Turkey's strategic geopolitical position, especially its control over the Bosphorus and Dardanelles Straits, made it a critical player in Cold War geopolitics. According to Leffler (1985, 810) although the United States deemed the likelihood of Soviet Russia declaring war on Turkey to be low, it nonetheless regarded Turkey's security concerns as serious. In anticipation of potential conflict with the Soviet Union, the U.S. provided Turkey with substantial military, economic, and infrastructural aid, preparing the country to play a pivotal role in the event of war, even though such a conflict was not considered a highly probable outcome.

After the declaration of North Atlantic Treaty Organization (NATO) in 1949, Turkey's primary objective was to join NATO membership and address its security challenges. Article 5 of the NATO treaty, which guarantees collective defense in the case of an attack on any member state, enabled Turkey to rely on external military assistance, diminishing the necessity for extensive domestic defense modernization. This provision ensured that an armed assault on one NATO member would be treated as an assault on all, thus securing comprehensive military support from the alliance. In 1950, following the rapid advance of Communist North Korea after its attack on South Korea, U.S. President Truman appealed to the United Nations (UN) Security Council, asserting the need to halt the aggression and calling for immediate infantry support from member states. The international community, led by the United States, responded by forming a coalition to support South Korea under the UN banner. Initially, the Republic of Turkey decided to send 5,090 troops, including infantry, artillery battalions, and auxiliary units, to the Korean War. This decision was a strategic move to demonstrate Turkey's commitment to collective security and to strengthen its bid for NATO membership. By the end of the war on July 27, 1953, a total of 25,000 Turkish soldiers had served in the conflict, reflecting Turkey's substantial contribution to the UN forces (İlhan 2015, 130–33). The valor and

effectiveness of Turkish troops in Korea were widely recognized and played a crucial role in Turkey's acceptance into NATO in 1952.

4.2.1 Post-WWII, Truman Doctrine, Marshall Plan, and impact on the Turkish defense industry

The Marshall Plan and Truman Doctrine played a crucial role in facilitating the reconstruction of Europe's military and economy, as well as the development of a bloc to counter the Soviet threat, following the end of World War II. This plan offered numerous countries substantial military and economic assistance, along with ample chances for credit. The initial stage of this assistance had commenced on 11 March, 1941, through the implementation of the 'Lend-Lease Act,' which was put forth by President Roosevelt. However, The United States was not the only country to had provided military assistance during the WWII, Britain also had sent over military aid to Turkey (Üstün 1997, 32). These legislation were implemented with the purpose of safeguarding East flank of the war, prevailing upon Turkey for joining the Allied Powers and providing support to nations whose defense is deemed crucial to the United States (Cengiz, 2009, p. 63). On June 18, 1941, shortly before Germany initiated its assault on the Soviet Union, Turkey entered a Non-Aggression Pact with Germany. This action sparked apprehension among the Allied nations, notably the United States, prompting deliberations regarding the suspension of supplies. Following that, on 2 March 1944, the United Kingdom, and on 1 April 1944, the United States, ceased all military assistance to Turkey (R. Cengiz 2009, 64).

Following Turkey's declaration of war on the Axis Powers, the United States reevaluated its aid policy and subsequently entered into the Military Assistance Agreement, which bestowed substantial benefits onto the United States. This agreement signaled the commencement of formal assistance. Upon careful examination of the agreement's specifics, it becomes clear that the Turkish Government signed a document that lacks clarity and precision. The agreement stipulates that the U.S. Government shall consistently supply the Government of the Republic of Turkey with defense items, defense services, and defense information as deemed required or suitable by the U.S. President. This clause is deficient in terms of providing precise specifics regarding the

various types, qualities, conditions, and quantities of defense sector items, as well as particular information regarding the delivery locations and timeframes (Tunçkanat 1975, 23–24). Furthermore, Article 2 of the agreement reveals that the scope and nature of the military assistance Turkey would extend to the United States are not explicitly defined. This section states that the Government of the Republic of Turkey will provide the U.S. with any items, services, facilities, and information it is able to offer, as permitted by law. A closer examination of the document highlights the ambiguity regarding the limits of these provisions, implying that Turkey may have granted the U.S. broad access to military bases, intelligence operations, and other strategic resources without precise restrictions.(Tunçkanat 1975, 24).

The Soviet Union's substantial endeavors to exert influence over Europe's destiny and the perceived menace of communism by the United States profoundly shaped the future of both Europe and strategically vital Turkey. The implementation of containment strategies and the allocation of military and economic assistance to countries within the bloc, as outlined in the Truman Doctrine, faced significant resistance from the Soviet Union. As a result, the USSR started considering countries such as Turkey, Greece, and Iran as part of its "buffer zone" plan and intensified political and military coercion on these states. Turkey became isolated in response to the Soviet threat and abandoned its previously pursued 'staying out of the war' policy that it had maintained during World War II. Concurrently, Turkey aspired to become a member of the international order that was established after the war. Turkey's adoption of "privileged" accords in the post-war period was primarily motivated by the concerns of being internationally isolated, the persistent threat from the Soviet Union, and the aspiration to secure a position in the newly formed international order.

While Truman Doctrine was covering military sphere, Marshall Plan occurred as financial need for reconstruction of war-torn Europe and reflected the strong sign for transition from Pax Britannica to Pax Americana in terms of both military and economic quest of hegemony (Barlas, Yılmaz, and Güvenç 2020, 5). President Truman successfully obtained the approval of the "Aid to Greece and Turkey Act" from Congress on 12 March 1947. This legislation provided $100 million to Turkey and $300 million to Greece (Cengiz, 2009, p. 73). During the implementation phase, the $100 million in aid allocated

to Turkey was distributed as follows: $48.5 million for the Army, $26.75 million for the Air Force, $14.75 million for the Navy, $5 million for military supplies, and another $5 million for highway development, with an initial focus on completing a 215 km stretch (Birinci 2007, 39–40). The primary goal of the Marshall Aid was to enhance the import capabilities of the recipient nations and establish their reliance on American products and replacement parts. The other goal of this assistance was to enhance Turkey's resilience against Soviet influence and enable it to effectively defend itself against any possible military aggression. To accomplish these objectives, the ground forces would be furnished with air defense equipment to resist any airborne assaults, and a complete package would be developed that combines economic and military assistance. The U.S.-Turkey Aid Agreement, signed on July 12, 1947, marked the finalization of the economic and military aid packages (Tunçkanat 1975, 193). Table 3 shows the total amount of aid have given to Turkey, announced by President Truman in 1948. It also shows the fact that Turkey began to establish a military and economic dependencies after the WWII.

Table 3 US Military Aid from Truman Doctrine

Force	Type	Amount ($)	Total
Land	Communication	$10.216.845	$62.131.722
	Fortification	$4.506.830	
	Medical	$346.080	
	Non-Commissioned Officers	$503.850	
	Artillery	$39.755.455	
	Transportation (Overseas Only)	$4.686.372	
	Training and Education	$2.100.000	
	Miscellaneous	$16.290	
Navy	Artillery	$2.592.763	$12.932.828
	Ship repair and maintenance costs	$2.817.852	
	Value of provided ships	$3.940.568	
	Communication and electronic materials	$1.153.756	
	Transportation, packaging, etc.	$1.167.267	
	Training and education	$1.260.622	
Air Force	Air Forces	$13.108.278	$13.108.278
TOTAL		$88.172.828	

Source: (Akkaya 2006, 180)

From 1940 until 1947, the military and economic aids was allocated in a haphazard and fragmented manner, resulting in minimal influence on growth, employment, and defense in account of Truman Doctrine. Consequently, U.S. Secretary of State George Marshall suggested that various forms of assistance be structured in a more coordinated manner and tailored to the specific need of the recipient countries (Sakar and Atlı 2024, 1726). Two strategies were utilized in the delivery of Marshall Aid; the initial approach entailed providing direct monetary aid, wherein the American government designated funds to Turkey for the procurement of products and services from the United States using US currency. The second option entailed the granting of commercial privileges to Turkey, enabling it to exploit advantageous purchasing opportunities in European nations (Sakar and Atlı 2024, 1728). According to the U.S., Turkey did not take part in World War II, was not invaded, and did not suffer the level of destruction seen in Europe. As a result, the Truman Doctrine considered the military aid given to Turkey as adequate, excluding it from the program. However, due to diplomatic negotiations, Turkey was eventually included in the Marshall Aid program, as the war had affected its economic balance, and it had maintained high military spending in preparation for a potential invasion, despite

not being directly involved in the war (Barlas, Yılmaz, and Güvenç 2020, 7; Üstün 1997, 34–37) The key aspect of Marshall Aid was its low-interest loans (2.5%) with long repayment terms, including a 15-year grace period on average. The aid process worked by having recipient countries submit their requests to the American Aid Committee, which would then forward them to the Economic Cooperation Administration in Washington. Approved goods were purchased from the U.S. market and shipped, usually via American vessels. The recipient country, in consultation with the U.S. government, decided how to use the aid, allowing the U.S. to influence economic policy. Consequently, Marshall Aid had three main goals: reviving Western Europe, controlling the economies of recipient nations, and stimulating the U.S. economy by creating markets for American goods, all of which were achieved successfully (Güler 2004, 221).

Table 4 U.S. Economic Assistance to Turkey 1949–71 in $million

Year	Total U.S. Economic Aid	Total	Loans	Grants	PL 480 Agricultural Aid
1949	5,2	5,2	5,2	-	-
1950	48.7	48.7	40	8,7	-
1951	35.2	35.2	20	15,2	-
1952	86.3	86.3	15,3	71	-
1953	54.2	54.2	4,5	49.7	-
1954	41.9	41.9	-	41.9	-
1955	86.1	59.8	-	59.8	26.3
1956	115.4	87.8	20	67.8	27.6
1957	179	109.3	25	84.3	69.7
1958	112.6	63.7	25	38.7	48.9
1959	167.1	131.9	-	131.9	35.2
1960	103.3	68.7	0.8	67.9	34,6
1961	126	100.3	98,8	98.8	25.7
1962	188.1	104.9	82,1	82.1	83.2
1963	237.3	155.8	86.2	69.6	81.5
1964	148.8	99	64.5	34.5	49.8
1965	152.9	113.3	103.6	9,7	39.6
1966	126.6	112.8	108.1	4,7	13.8
1967	132.2	110.3	106.8	3,5	21.9
1968	110.2	101.6	96.9	4,7	8.6
1969	109.5	88.6	85.1	3,5	30.3
1970	106.9	69.2	65.9	3,3	50.7
1971	106.9	77.6	73.9	3,7	33.8
Total	**2512**	**1926.1**	**971.1**	**955**	**481.2**

Source: (Uslu, 2003, p. 98)

The data is classified into four categories: total U.S. economic aid, loans, grants, and PL 480 agriculture aid. The data illustrates substantial variations in the annual amount of aid given, with prominent spikes in certain years such as 1963 and 1967, where the overall economic aid reached $237.3 million and $132.2 million, respectively. The data indicates a significant dependence on grants, particularly in the initial years, shifting towards a more equitable combination of loans and grants in the subsequent years. The PL 480 agricultural aid, which was implemented in 1955, had a pivotal role in providing overall support, making notable contributions in specific years, particularly in 1957 and 1962. The economic aid provided during the Cold War era was intended to strengthen Turkey's

economic stability and align it with the United States' interests in the area, reflecting the crucial geopolitical ties between the two countries. The cumulative totals highlight the significant level of support, reaching a total of more than $2.5 billion in economic aid. This assistance is distributed through a combination of loans and grants. In addition, it divested a significant quantity of items that would require expensive modernization. By striking exclusive deals with Turkey, the United States successfully transformed Turkey into a strategically important outpost. However, the allocation of military aid and resources assigned to MKE and Ministry of National Defense (Milli Savunma Bakanlığı – MSB) to organize and meticulously planning for ironing out some urgent needs and requirements for Turkey's defense structure.

Table 5 Funds for Mechanical and Chemical Industries Administration

Year	Direct Aid	Indirect Aid	Technical	Total
1951-1952	$2.000.000	$2.500.000	$1.204.667	$5.704.667
1952-1953	$1.300.000	$1.500.000	$724.000	$3.524.000
1953-1954	$1.181.300	$0	$0	$1.181.300
1954-1955	$410.000	$0	$0	$410.000
1957-1958	$40.000	$0	$0	$40.000
Total	$4.931.300	$4.000.000	$1.928.667	$10.859.967

Source: (Birinci 2007, 108)

Table 6 Funds for the Ministry of National Defense

Year	Direct Aid	Indirect Aid	Total
1950-1951	$13.822.000	$0	$13.822.000
1951-1952	$4.000.000	$14.000.000	$18.000.000
1952-1953	$33.600.000	$0	$33.600.000
1954-1955	$25.000.000	$0	$25.000.000
1957-1958	$13.180.000	$0	$13.180.000
Total	$89.602.000	$14.000.000	$103.602.000

Source: (Birinci 2007, 108)

As Table 5 and 6 show that between 1951 and 1958, $9.77 million was allocated to the Mechanical and Chemical Industries Administration, and between 1950 and 1955, $90.44 million was appropriated for the Ministry of National Defense to modernize its equipment with American imports. Of the industry funds, $6.35 million was direct aid, $1.5 million was indirect aid, and $1.93 million was for technical equipment. For defense, $76.42 million was direct aid, and $14 million was indirect aid, which involved equipment

imports from the U.S. By 1951, U.S. aid to Turkey totaled $351.7 million, and by 1959, military assistance alone had reached $114.46 million. Additionally, $2.96 billion in counterpart funds were released for defense purposes (Birinci 2007, 108)

4.2.2 Turkey's NATO membership and American hegemony in the Turkish defense industry

Following World War II, Turkey's defense industry witnessed a swift decrease in governmental and private sector participation, despite the substantial military and material support it received through the Truman Doctrine and Marshall Plan. After Turkey joined NATO, the efforts to create new facilities or localize industry seemed to significantly diminish. It is worth mentioning that in the following years, new state and private enterprises were also founded, and their influence on the future growth of the defense sector was significant.

In response to the U.S.'s growing efforts to contain Soviet influence through the Truman Doctrine and Marshall Aid, the Soviet Union focused on strengthening its relationships with Eastern European countries. To counter the U.S.'s expansion, the USSR increased its efforts to promote communism. On 5 October 1947, communist leaders from several countries, including France, Italy, and Eastern European nations, formed the Cominform to replace the Comintern, and later, the Warsaw Pact emerged following NATO's creation. In Czechoslovakia, a coup on 22 February 1948, turned the country into a Soviet satellite, which was a major shift given its history of democracy. Stalin viewed the Marshall Plan as an attempt to marginalize the USSR in Eastern Europe and blocked Czechoslovakia's participation. In response, the U.S., along with France, the U.K., Belgium, the Netherlands, and Luxembourg, signed the Brussels Treaty on 17 March 1948, which led to the formation of the Western Union Defense Organization in September 1948, a military alliance aimed at countering Soviet influence. This organization, seen as the initial step toward the formation of NATO, officially became the North Atlantic Treaty Organization on 4April 1949, following the border disputes that emerged after the division of Germany into two separate states (Kostak 2024, 203–7).

Turkey's participation in the Korean War was not only a military endeavor but also a diplomatic strategy that underscored its alignment with Western powers and its readiness to engage in collective security efforts. This alignment was further solidified by the financial and military support provided under the Marshall Plan, which enabled Turkey to modernize its armed forces without overburdening its economy. Consequently, Turkey's integration into NATO marked a significant milestone in its defense policy, positioning it as a key ally in the Western bloc during the Cold War. Turkey's accession to NATO in 1952 marked a transformative shift in its defense strategy and industry, positioning the country as a critical ally within the Western bloc during the Cold War. Integration into NATO placed Turkey under the strategic umbrella of the United States, resulting in an influx of American military aid and technology. While this influx played a crucial role in modernizing Turkey's military capabilities, it also entrenched a degree of dependence on American resources. The shaping of Turkey’s defense sector increasingly reflected U.S. policies and priorities.

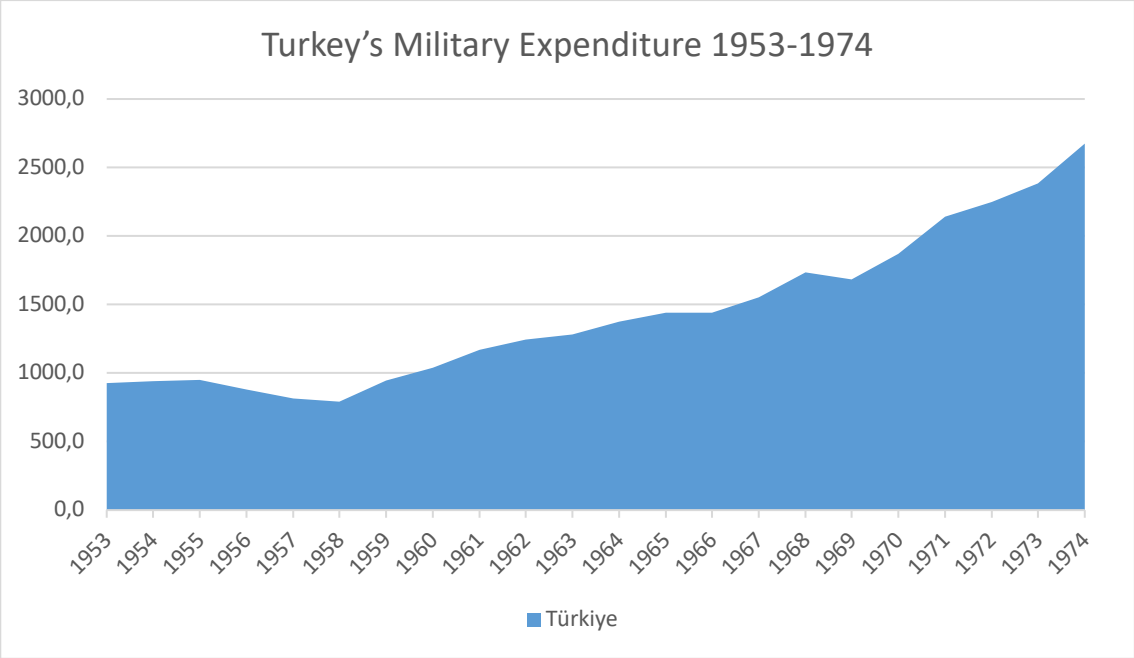
After the integration with NATO, Turkey's relations with the U.S. deepened rapidly, with many bilateral agreements being approved without the involvement of the Turkish Grand National Assembly (TBMM). One of agreement was the "Military Facilities Agreement," which signed on 23 June 1954, permitted the U.S. military to operate within Turkish territory. As a result, over 90 military and civilian installations were established across the country. While these agreements initially focused on monitoring the use of United States aid in line with the terms, they later expanded to include provisions for the presence of U.S. military personnel, the establishment of military bases, and the operation of various spy planes under the agreements. This agreement also provided U.S. personnel in Turkey with broad privileges and immunity, surpassing the terms set by the ‘Status of Forces Agreement’ between NATO members, signed in 1951 (Akkaya 2006, 212–20). Nevertheless, Türkiye has established the following factories and companies according to the conditions of the period in Table 7.

Table 7 Defence Industry Firms between 1950 - 1974

Year	Organizasitons
Turkish Defense Organizastion between 1950-1974	
1952	İbrahim Örs Döküm Sanayii ve Ticaret A.Ş.
1954	MSB Ar-Ge Dairesi Başkanlığı
1957	Mühimmat Fabrikası
1963	OTOKAR
1964	BMC Sanayi ve Ticaret A.Ş.
1969	Otomarsan; Northern Electronic Telekomünikasyon A.Ş. (NETAŞ)
1969	Kalekalıp Makina ve Kalıp Sanayi A.Ş.
1970	Meteksan Sistem
1972	Türk Hava Kuvvetlerini Güçlendirme Vakfı
1972	TÜBİTAK-Savunma Sanayii Araştırma ve Geliştirme Enstitüsü
1973	Türk Donanma Vakfı
1974	TUSAŞ; HEMA Endüstri A.Ş.
1974	HEMA Dişli Sanayii ve Ticaret A.Ş.
1974	Türk Kara Kuvvetlerini Güçlendirme Vakfı
1974	Asil Çelik Sanayi ve Ticaret A.Ş.

Source: (Temiz 2012, 4)

Figure 1 Turkey's Military Expenditure 1953-1974



Sources: (SIPRI 2021)

Note: Military expenditure of Turkey in constant (2022) US$ m.,

Note: Figures are in US $m., at constant 2022 prices and exchange rates

Upon analyzing the data on military expenditures, it becomes evident that there has been a steady upward trend since the 1960s. One major factor driving this surge is the heightened animosity between Turkey and Greece stemming from the Cyprus crisis, and therefore, the United States' intervention in opposition to Turkey. The alliance relationship, founded on reciprocal confidence, became tense when the Cyprus issues revived, heightening the probability of violence, and thus resulting in increased military spending.

Furthermore, with the receipt of Marshall Aid and its membership in NATO, Turkey implemented substantial initiatives to educate its military troops, modernize its defensive doctrines, and establish and sustain a synchronized defense organization with other NATO nations. During this period, there was significant emphasis on training, the implementation of new procedures, and a thorough overhaul of all military institutions to counter the political and economic growth of the USSR until the conclusion of the Cold War. Turkey's entry into NATO enhanced the American alliance's reputation inside the Turkish bureaucracy and instilled a significant feeling of safety by eliminating any

concerns about potential war situations during that time, especially those related to Soviet claims on regions like Kars and Ardahan. As a result, Turkey relied heavily on imports from its allies to meet its defense industry requirements and prioritized agricultural production and welfare-enhancing policies instead of investing in its defense industry, given the reduced likelihood of potential war scenarios under the protection of NATO.

In addition, as previously indicated, the United States created a significant number of military bases in Turkey under the "ambiguous" agreements and commenced operations from these locations. An event of great importance in this situation was the U-2 Crisis, in which a Lockheed U-2 reconnaissance aircraft that departed from the Incirlik Base was downed while flying over Soviet territory. The USSR's vehement response to the spy plane's departure from Turkey resulted in strained relations and a substantial backlash against the utilization of these bases, leading to heightened tensions in Turkey's bilateral relations with both the United States and the USSR.

4.2.3 End of trust in Turkish-American relations: the Cyprus problem, Johnson letter

The 1960s marked a significant turning point in Turkish-American relations. Trust between the two countries had been built through the Truman Doctrine, Turkey's inclusion in the Marshall Aid program, and its subsequent accession to NATO, all of which significantly strengthened their bilateral ties. In addition to receiving substantial U.S. support for its defense needs, Turkey benefited from American aid in various sectors, including infrastructure, agriculture, and the provision of equipment for mining production. However, this growing dependence led to increasing U.S. dominance in the relationship.

A clear example of this was the deployment of Jupiter Missiles. In 1957, the Soviet Union's launch of the Sputnik I satellite demonstrated their capability with intercontinental ballistic missiles. In response to this threat, the U.S., which had not experienced any attacks on its own soil during World War II, planned to station missiles in areas close to the Soviet Union as a preventive measure. While some NATO members refused the U.S. request due to fears of becoming direct Soviet targets, the U.K., Italy,

and Turkey accepted. After Turkey agreed, the U.S. referred to the country as an ‘unsinkable aircraft carrier,’ highlighting Turkey's increasing strategic importance to American interests (Çağrı 2018, 572).

In 1960, a U.S. U-2 spy plane, which had taken off from Incirlik Base in Turkey, was shot down by the Soviets shortly after entering Soviet airspace from Pakistan. The U.S. initially remained silent until it was revealed that the pilot had been captured alive, forcing them to admit the flight was for intelligence purposes. Similarly, in 1965, another U-2 spy plane from Incirlik Base crashed while flying over the Black Sea. In both incidents, the Soviet Union blamed Turkey and threatened to target the bases used for these intelligence flights. In response, the Turkish government urged U.S. officials to halt the operations, which were subsequently cancelled (Erhan 2018, 573–74).

The crises during this period, including the Cyprus issue, exposed the vulnerabilities and limitations of Turkey's defense reliance on the U.S., leading to calls for greater self-reliance and a more independent defense industry. The late 1960s and early 1970s were characterized by a growing mistrust between Turkey and its Western allies, particularly the United States. Diverging interests, particularly in the context of regional conflicts and Turkey's domestic policies, began to strain relations. Beginning from early 1950’s, Greece sought to take advantage of the wave of independence movements and opposed British rule in an effort to unite Cyprus with Greece, a movement known as "Enosis." Throughout this process, Turkey's approach was to seek a balanced solution among the allies rather than focus on a single option. While strongly opposing Greece's Enosis policy, Turkey supported Britain's ‘taksim’ proposal, which aimed to divide the island into two equal parts, north and south. However, this plan was rejected by Greece. As a result, In 1959, Cyprus became an independent state after accepting a new government and constitution. The constitution recognized the existence of both Greek and Turkish communities, granting them equal rights in administration and representation (Özkan 2019, 44–87).

The establishment of the Republic of Cyprus was expected to eliminate the Enosis and Taksim plans on the island, but the changes made to the constitution of the Republic of Cyprus between 1960 and 1963 brought the Cyprus Problem back to the agenda. The

article amended by the Greek Cypriots aimed to ensure a 70:30 representation ratio in municipalities and military service, and to prevent the right of Turkish Cypriots to representation. The other meaning of this change in the law for Turkey was to cease being an equal citizen of the Republic of Cyprus and become a minority of the republic. This tension caused conflicts on the island and Turkey demonstrated its military response by flying low over the island in 1963 (Özkan 2019, 99–109).

As conflicts on the island persisted and the UN Peacekeeping Force, invited by the guarantor states, failed to stop the violence, Turkey began developing alternative policies to address the situation. During this period, Turkey advocated for the creation of a two-state federation as a solution. With the Peace Force proving ineffective and violence escalating, Turkey made it clear that it was prepared to intervene on the island, signaling a willingness to take action and engage with all parties involved. The Johnson Letter of 1964, in which U.S. President Lyndon B. Johnson warned Turkey against unilateral military action in Cyprus, marked a significant downturn in Turkish-American relations. Johnson's letter addressed three main points regarding Turkey's intentions in Cyprus. First, he strongly urged Turkey to consult with the U.S. before taking any military action, reminding İnönü of the 1947 agreement that required U.S. consent for using American-supplied military equipment. Second, Johnson warned that Turkish intervention would likely lead to partition rather than uphold the Treaty of Guarantee and urged patience with the ongoing UN mediation efforts. Lastly, Johnson cautioned that military action could provoke a Greek-Turkish conflict, jeopardize NATO unity, and potentially invite Soviet involvement, thus questioning the fundamental cooperation between Turkey and the U.S. in countering the Soviet threat (Özkan 2019, 112–25).

The Johnson Letter not only soured bilateral relations but also highlighted the constraints on Turkey's defense autonomy. The Greek-Turkish tensions over Cyprus further complicated the situation, leading to a reassessment of Turkey's defense strategies and the need for a more robust and independent defense industry. Additionally, it underscored the limitations imposed by Turkey's reliance on American military support. It revealed that U.S. policy decisions could significantly impact Turkey's strategic options, thereby undermining its national sovereignty. This episode catalyzed a strategic shift in Turkey,

prompting efforts to diversify its defense procurement sources and develop indigenous defense capabilities to reduce dependence on any single foreign power.

4.2.4 Concluding remarks

Turkey's post-World War II policies focused on developing alliances with the U.S. and leveraging financial support to stay within the international system and address its security concerns. Between 1945 and 1947, Soviet threats to Turkey were reduced due to military and financial aid through the Truman Doctrine, followed by further development through Marshall Aid. After joining NATO, Turkey's security worries lessened, and its trust in U.S. relations grew stronger. Major issue during this period was the decline in importance given to Turkey's national defense industry, as U.S. military aid created dependency. This reliance hindered both state and private investments in defense. The Johnson Letter of 1964, which barred the use of U.S. military equipment during the Cyprus crisis, marked the first significant rupture in U.S.-Turkey relations. A similar situation occurred during the Cyprus Peace Operation, prompting Turkey to refocus on its national defense, with increased investments and incentives. However, ongoing dependence on U.S. military equipment, particularly maintenance and spare parts, signaled a continued economic reliance.

4.3 Second Leap Period in the Turkish Defense Industry (1974-2000)

4.3.1 The 1974 Cyprus Peace Operation and embargoes

In the 1960s, the tensions between Turkey and Greece about Cyprus started to increase and were more serious by the 1970s. After EOKA failed to comply with the demands and statements of Greek Prime Minister Makarios, he officially declared EOKA as an unlawful organization in 1974. Following it, on July 15, 1974, a coup d'état was executed against Makarios, leading to a governmental transition. Turkey responded actively to the coup in Greece by promptly traveling to London to extend an invitation to the UK, as a guarantor country, to join forces in safeguarding civilian security and reinstating lawful control. After, the UK declined this request, Turkey stated that in the event of the UK's silence, it will independently carry out the operation. Turkey informed the United Nations

on July 20, 1974, of the upcoming operation after issuing a last warning to the Junta. The United Nations Security Council issued a resolution demanding an immediate cessation of hostilities, which was duly acknowledged and implemented on July 22, 1974. While engaging in peace negotiations in Geneva, Turkey insisted on the acknowledgment of the distinct character of Turkish Cypriots and the provision of assurances for their security. Following the failure of the peace talks, the operation recommenced on August 14, 1974, and concluded on August 18, 1974.

The enforcement of the embargo signified the termination of Turkey's intimate military and economic connections with the United States. The coverage of embargoes was wide enough to cut off both Truman Doctrine grants and Foreingn Military Financing (FMF) and Foreign Military Sales (FMS) credits, commercial credits and training supports between 1975 and 1980 (Öz 2022, 44) From this juncture, it can be asserted that there was a burgeoning anti-American sentiment and a decrease in confidence towards the partnership, both among the Turkish populace and at different echelons of the government. As a result of the embargo, Turkey stopped receiving military and economic aid. This led to a second phase of their efforts to modernize their military and manufacture essential equipment within the country. Consequently, the 1974 Cyprus Peace Operation marked a pivotal moment for Turkey's defense sector. The embargo revealed the weaknesses in Turkey's defense logistics and operational preparedness, as a significant number of its military systems were sourced from the United States, necessitating U.S. spare parts and maintenance. As a result, Turkey's military operational capacity was greatly reduced, leading to the need for quick actions to address these shortcomings. Turkey reacted by searching for other suppliers and speeding up local production efforts.

4.3.1 Impact of embargoes on the Turkish defense industry

The embargoes of the 1970s forced Turkey to reevaluate its defense procurement strategies and prioritize the development of a domestic defense industry. This period saw the establishment of key institutions and the initiation of domestic production projects aimed at reducing dependence on foreign suppliers. The embargoes acted as a catalyst for growth and innovation in Turkey's defense sector. Given the fact that %80-90 of the equipment that had used in the Cyprus Peace Operations was either imported from the

other countries or donated by the United States through aid programs, the need for national defense industries became the urgent need for Turkey's security concerns (Durmaz 2014, 44). Even though United States lifted its embargo and reinstating the military assistance program in 1978, Turkey persisted with its defense measures to reduce its reliance on the United States. Turkish Admiral Korkunt emphasized the importance of diversifying military production and reducing dependence on the United States to avoid encountering similar challenges in the future, even if bilateral relations improve. The majority of Turkish politicians shared a similar sentiment and advocated for increased investment in the industry, as Turkey needed to achieve self-sufficiency in order to not being affected from another embargoes (Durmaz 2014, 49).

As a first reaction to the embargo, Turkey initiated the establishment of many defense firms and made substantial investments in research and development to cultivate its own capabilities. The purpose of this strategy change was to decrease reliance on foreign military resources and strengthen national security by achieving self-reliance. The establishment of businesses such as ASELSAN in 1975, ASPİLSAN in 1981, TUŞAS-TEİ in 1985, TAI (Turkish Aerospace Industries) in 1984, and ROKETSAN in 1988 were important achievements in Turkey's pursuit of autonomy in military production. ASELSAN played a vital role in advancing electronic systems and communication devices, particularly in the military electronics field. ASPİLSAN specialized in battery technology for military purposes. TUŞAS-TEİ and TAI focused on aircraft components and aerospace technology, establishing Turkey as a strong competitor in the aerospace sector. ROKETSAN dedicated its efforts to developing rocket and missile systems, greatly improving Turkey's strategic defense capabilities. Together, these businesses established the groundwork for a strong national defense sector, promoting creativity and stimulating economic expansion through advanced defense manufacturing. Their efforts not only strengthened Turkey's defense infrastructure but also spurred the wider industrial and technological environment, thereby enabling Turkey to emerge as a major player in the global defense market.

Table 8 Turkish Defence Organizastion and Firms Between 1975-2000

Year	Company
1975	ASELSAN
1975	Barış Elektrik Endüstrisi A.Ş.; İşbir Elektrik Sanayi A.Ş.
1975	Küçükpazarlı Havacılık ve Uzay
1976	Petlas Lastik Sanayi ve Ticaret A.Ş.
1976	MKEK Roket Fabrikası
1978	ASMAŞ
1979	Barış Savunma Endüstrisi A.Ş.
1979	İşbir Elektrik Sanayii A.Ş.
1981	ASPİLSAN
1982	HAVELSAN; Yüksek Teknoloji A.Ş
1983	Savunma Donatım İşletmeleri Genel Müdürlüğü
1984	TUSAŞ Havacılık ve Uzay Sanayi A.Ş. (TAI)
1984	Baykar Makine
1984	Aksa Makina Sanayi A.Ş.
1984	ETA Elektronik Tasarım Sanayi ve Ticaret A.Ş.
1985	Savunma Sanayii Geliştirme ve Destekleme İdaresi Başkanlığı (SaGeB)
1985	TUSAŞ Motor Sanayii A.Ş. (TEI)
1986	MAN Kamyon ve Otobüs Sanayii A.Ş.
1986	Karel Elektronik
1986	STFA Savronik Elektronik Sanayii ve Ticaret A.Ş.
1987	Türk Silahlı Kuvvetlerini Güçlendirme Vakfı (TSKGV)
1987	MİKES - Mikrodalga Elektronik Sistemler Sanayii ve Ticaret A.Ş.
1988	FMC-NUROL Savunma Sanayii A.Ş. (FNSS)
1988	ROKETSAN; TRANSVARO Elektron Aletleri Sanayii ve Ticaret A.Ş.
1989	Savunma Sanayii Müsteşarlığı (SSM)
1989	MARCONI Komünikasyon A.Ş. (SELEX)
1990	GATE Elektronik
1990	FİGES Mühendislik
1990	Aydın Yazılım ve Elektronik Sanayii ve Ticaret A.Ş. (AYESAŞ)
1990	HAVELSAN Teknoloji Radar
1990	MTU Motor Türbin Sanayi ve Ticaret A.Ş.
1991	ESDAŞ Elektronik Sistemler Destek Sanayii ve Ticaret A.Ş.
1991	Savunma Teknolojileri Mühendislik ve Ticaret A.Ş. (STM)
1992	NUROL Makine Sanayi A.Ş.
1993	TİSAŞ Trabzon Silah Sanayi AŞ
1994	Girsan Silah Sanayi; İNFOTRON Elektronik ve Bilgisayar Sistemleri Üretim ve Tic. A.Ş.
1997	RMK Marine Gemi Yapım Sanayi
1998	Alp Havacılık, Milsoft Yazılım Teknolojileri A.Ş.; Yonca-Onuk Adi Ortaklığı; HAVELSAN EHSİM

Source: (Kurt 2018, 39–58)

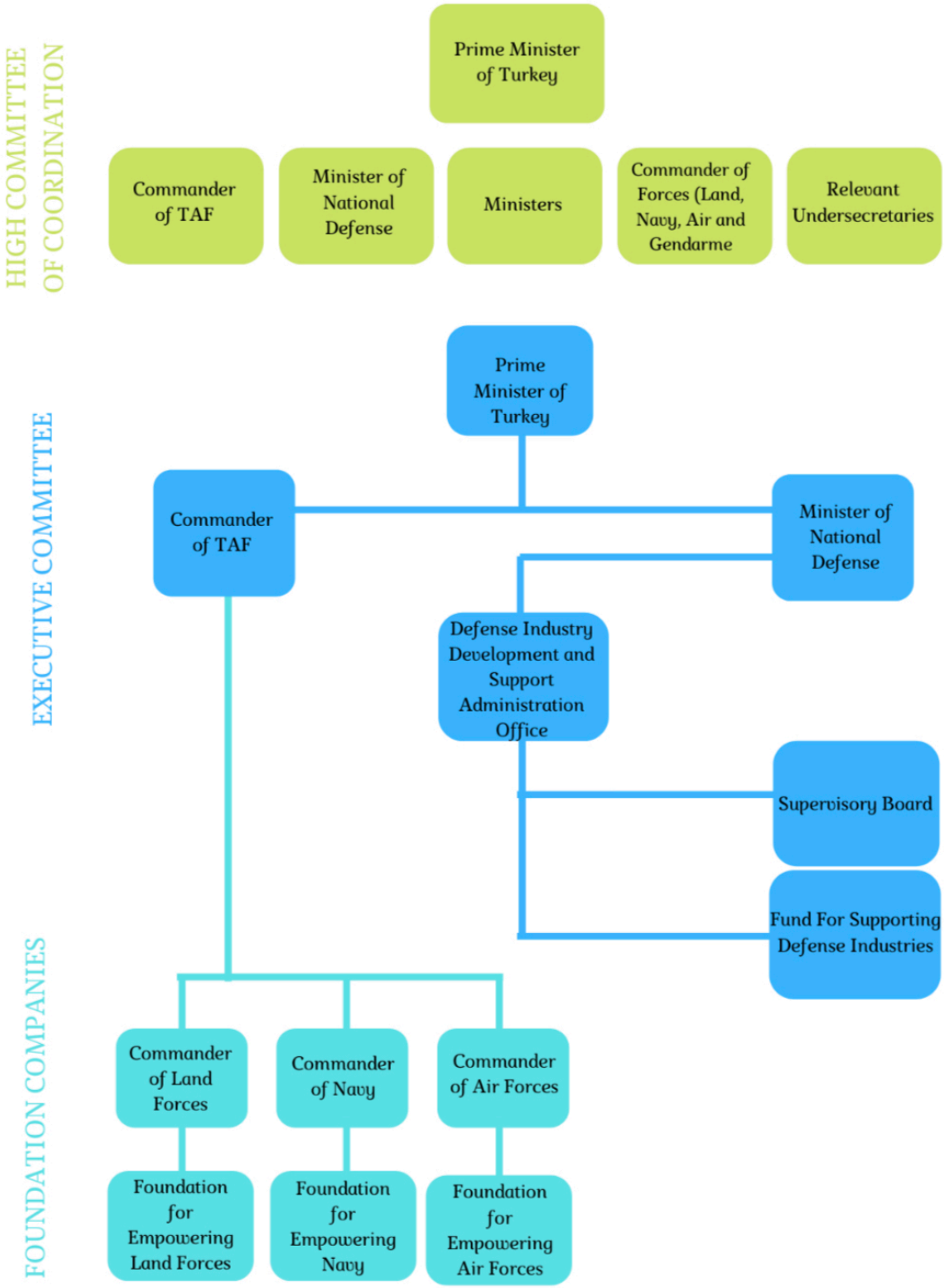
As seen in the above table, it is evident that Turkey began to reemphasize the development of its defense industry following the Cyprus Peace Operation. During the operations, the

United States' failure to allow Turkey to use military aid sent under the Truman Doctrine and Marshall Aid, followed by significant embargoes imposed after the 1974 Cyprus Peace Operation, highlighted Turkey's goal to strengthen and accelerate domestic production. The rapid entry into a free trade economy after the 1980s led to an increase in private enterprises in Turkey, with many private companies emerging in the defense industry sector.

During this period, the state provided substantial financial support to the defense (Resmi Gazete 1985) sector through additional funding. Additionally, numerous funds and foundations were established to produce extra budgets and resources. The General Directorate of Defense Equipment Enterprises (Savunma Donatım İşletmeleri Genel Müdürlüğü - SDİGM) was founded in 1983 to oversee military procurements and provide civilian control over military affairs. The main goal of this agency is to supervise all aspects of the defense sector. The Turkish Armed Forces (TSK) is under the jurisdiction of this entity, which has control over all procurement and production operations, encompassing pharmaceuticals, ammunition, and weapon systems. In addition, the administration of this organization included only of handpicked officials from the Ministry of Defense and the Ministry of Finance . In addition, Akça highlights that the "Armed Forces Modernization Project" received a funding of $12 billion for the initial ten years in 1985, followed by $150 billion for a period of 30 years in 1996, and finally $20 billion in 2000. It is worth noting that the budget allocated after 1988 experienced a significant and rapid increase (Akça and Özden 2021, 27). In addition, the Defense Industry Development and Support Administration (Savunma Sanayii Geliştirme ve Destekleme İdaresi Başkanlığı - SaGeP) was created to identify the requirements of the defense industry and to ensure effective coordination in meeting these requirements. Subsequently, SDİGM abolished and all movable and immovable assets, including its vehicles, equipment, budget, and personnel, were transferred to the SaGeP. In order to bolster the efficiency of its operations and efforts in the defense sector, the Defense Industry Support Fund (Savunma Sanayi Destekleme Fonu – SSDF) was established. One notable aspect of this institution's management is the inclusion of military elites, including the Chief of General Staff, Commanders of the Forces, and the Commander of the Gendarmerie, among its 13 members. The council's responsibilities, as specified in

Article 4 of the applicable legislation, consist of ensuring planning and coordination in accordance with the approved general strategy by the Council of Ministers, issuing regulatory directives, and determining the procurement methods for weapon systems and materials expected to be acquired with the Fund, in alignment with the Strategic Objective Plan prepared by the General Staff (SSM – Undersecretariat for Defense Industries) (Egeli et al. 2024, 11). Figure 2 illustrates that in 1985, an effort was made to establish a mechanism where civilian and military groups collaborated in the decision-making process.

Figure 2 Bureaucracy of the Turkish Arms Industry (1985)



Source: (Şahin 2020, 80)

Turkey extended invitations to foreign companies to engage in collaborative production in order to capitalize on their expertise and experience. Turkey sought to leverage preexisting technology to advance its industrial infrastructure, rather than commencing from the beginning. The liberalization program initiated when Turgut Özal became prime minister in 1983 had a significant impact on the defense industry, with a focus on creating joint projects between Turkish private sector companies and foreign firms using the "joint venture" model. This approach aimed to boost private sector investments in Turkey, develop a skilled workforce within the country, and facilitate the transfer of advanced technology (Egeli et al. 2024, 10). A notable collaboration was established with American corporations General Dynamics and General Electric to manufacture F-16 aircraft. To streamline this process, Turkey founded Turkish Aerospace Industries (TAI) in 1984 with the purpose of manufacturing F-16s in Ankara through a partnership with the United States. At first, the plant produced certain body sections and assembled the rest of the components that were imported from the United States. Gradually, the firm expanded its production capacities and by the mid-1990s, it was manufacturing almost 70 percent of the aircraft within the country. By the year 2000, the plant had manufactured a total of 278 aircraft, out of which 46 were sent to Egypt and the remaining were supplied to the Turkish Air Force (Durmaz 2014, 51–55).

4.3.2 The evolution of new enemies: PKK and low-intensified war

The PKK, originally based in Turkey's eastern provinces and then extending its influence in Kurdish-populated regions, swiftly evolved into a nationwide organization in Turkey. The central formations, top-ranking officers, and leadership group were situated in the hilly areas along the southern border of Turkey with Northern Iraq. The primary operational headquarters was based in the encampments on Mount Qandil, which are positioned on the border between Iraq and Iran. The PKK's activities caused occasional difficulties between Turkey, Iraq, and the Kurdistan Regional Government in Northern Iraq. The situation in the Turkish side of Northern Iraq presented an equally hard scenario, since the topography and weather conditions, resembling those of the Northern Iraqi mountains, significantly restricted operational capabilities. Throughout this period, the PKK pursued a strategy of consolidating its forces in the mountainous areas of Turkey

and its camps in Northern Iraq, while simultaneously intensifying recruitment efforts across the region to enhance its operational capabilities.

Turkey responded by seeking to obstruct the migration of PKK members from Northern Iraq into Turkish territory and by bolstering its military presence within Turkey. The purpose of this approach was to facilitate prompt military actions relying on intelligence, surveillance, and reconnaissance, specifically during the latter part of the 1980s. To successfully fight the threat posed by the PKK and promptly respond to any signs of their activities, Turkey aimed to strengthen its military capabilities and maintain a strong presence in the region. In the 1990s, Turkey confronted a PKK organization that had experienced substantial growth in its membership and extended its influence in areas densely populated by Kurds. The PKK has expanded its targets to include not just military and police personnel, but also teachers and citizens. Although the rise in the quantity of military outposts along Turkey's southern borders hindered the movements of the PKK, there was still a high occurrence of attacks by the PKK on these fixed outposts. The Turkish Armed Forces (TSK) carried out cross-border military actions intermittently between the 1990s and 2004. The purpose of these operations was to prevent incursions from Northern Iraq, eliminate PKK shelters and weapons dumps, and weaken the PKK's hold over the territory.

Turkey has continuously prioritized advancing its defense sector and domestic production since the Cyprus Peace Operation. Turkey's susceptibility to such crises was shown by its reliance on armaments provided by the United States through the Truman Doctrine and Marshall Aid during the Cyprus Peace Operation. The perception of relying excessively on the U.S. or any other partner was seen as a vulnerability, which led to prioritizing indigenous production. In addition, Turkey endeavored to reduce this reliance by procuring military equipment from its European partners, with the goal of diversifying its suppliers. The surge in defense sector production in Turkey can be attributed to the growing demand for military equipment. During the interwar period, Turkey's diplomatic and pacifist position was influenced by its recognition of the constraints of its military strength. The advent of the PKK (Kurdistan Workers' Party) in the 1980s signaled the commencement of a novel epoch for this sector.

Table 9 Cross-Border Operations Between 1984-2008

Name of Operations	Date of Start	Date of End
Sicak Takip Operation	27 May 1984	11 October 1984
1986 Cross-border Operation	15 August 1986	15 August 1986
1987 Cross-border Operation	4 March 1987	4 March 1987
Suptirge Operation	5 August 1991	13 August 1991
1992 Cross-border Operation	5 October 1992	15 November 1992
Hakurk Operation	October 1992	-
Celik Operation	21 March 1995	2 May 1995
Atmaca Operation	April 1996	April 1996
Tokat Operation	14 June 1996	January 1997
Cekic Operation	12 May 1997	7 July 1997
Safak Operation	25 September 1997	15 October 1997
Murat Operation	April 1998	May 1998
Gunes Operation	21 February 2008	29 February 2008

Source: The author uses different sources.

The term "sweep operations" was commonly used to describe these procedures. The main goal of these operations was to confront and neutralize PKK militants identified along the border, demolish discovered shelters and tunnels, and remove confiscated ammunition. This approach sought to demolish the significant territorial expansion that the PKK had achieved through years of dedicated effort, extending their influence up to 40 kilometers beyond the Turkish border, depending on the particular operation. It is crucial to emphasize that Turkey did not construct enduring military installations within the area of Northern Iraq at any point during these operations.

4.3.3 The PKK and its impact on the defense industry

Given the challenging and hilly landscape where the PKK had established its influence, both inside Turkey and along the border with Northern Iraq, the Turkish military found itself in a pressing need for additional equipment that it had not previously needed. In addition, the PKK's approach of employing tiny, efficient troops rather than a traditional military force, as well as their utilization of ambushes, surprise assaults, and landmines,

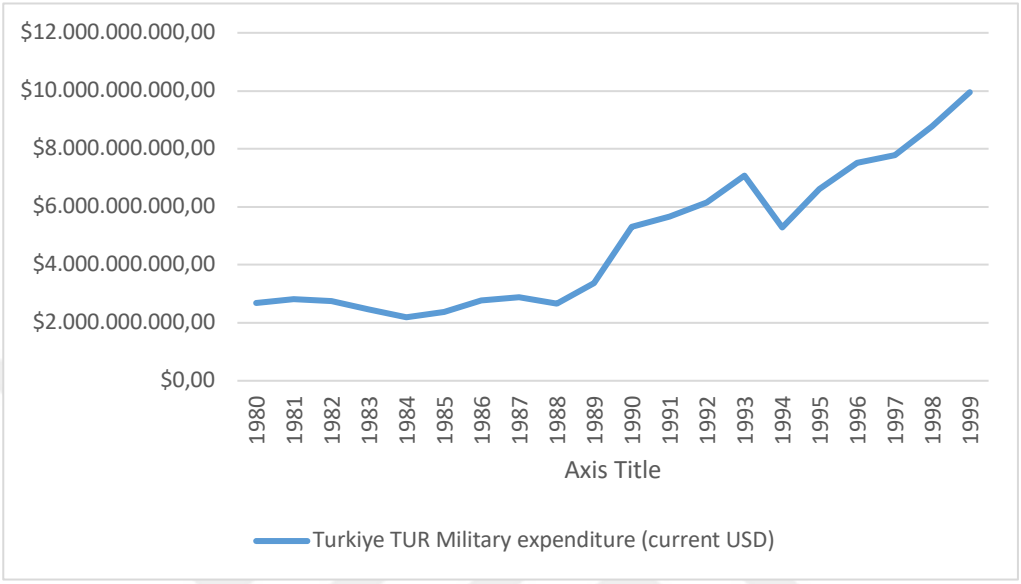
compelled the Turkish Armed Forces (TSK) to adopt unconventional warfare measures. To accommodate this change, it was necessary to acquire appropriate equipment and support vehicles. The table below displays the rise in military expenditures from 1980 to 2000. The main cause of this rise can be attributed to the TSK's training, which initially emphasized conventional warfare tactics, amphibious operations, and defense, as demonstrated during the Cyprus Peace Operation. During the 1990s, the TSK's requirements changed because of the PKK's use of guerrilla warfare strategies, leading to a thorough modernization initiative.

First and foremost, in areas where unconventional warfare is highly intensive and the physical environment is particularly difficult, the significance of detection and monitoring technologies becomes crucial. To safeguard outposts built for border control and territorial supremacy, the use of thermal cameras and SWIR (Short-Wave Infrared) cameras has become crucial. These cameras offer enhanced visibility in adverse weather conditions such as fog, rain, snow, and storms, so mitigating the risk of potential attacks. Furthermore, it is imperative to have armored vehicles that offer secure transit for military troops. These vehicles also guarantee the protection of personnel during vehicle movements in case of an ambush. Moreover, the inclusion of cargo and attack helicopters that have the ability to navigate through small valleys, transfer soldiers to appropriate sites, and offer fire support to infantry forces is of utmost importance. Finally, the prompt deployment of fighter jets to promptly engage identified targets based on received intelligence is a crucial element of the conflict and is a substantial aspect of the ongoing modernization endeavors. These factors jointly improve the operational capability of the Turkish Armed Forces in countering guerrilla warfare and tackling the specific problems presented by the PKK.

Therefore, it is evident that Turkey's demand for a wide range of equipment, platforms, and munitions has experienced a substantial rise, encompassing both weapon platforms and the fortification of outposts. This change represented a shift away from relying on foreign supply, which started in the 1960s and concluded with the Cyprus Peace Operation, towards prioritizing indigenous defense industry programs. Figure 3 clearly demonstrates a significant rise in Turkey's defense expenditures during the 1990s. The table illustrates a substantial increase in defense expenditure throughout the early 1990s,

which persisted until the conclusion of the decade. At the start of the 1980s, military spending amounted to $2.3 billion, but by 1999, it had increased to about $10 billion.

Figure 3 Turkey's Military Expenditure (current USD)



Source: (World Bank 2024)

The protracted conflict with the PKK necessitated advancements in counterinsurgency and asymmetrical warfare capabilities. Turkey's defense industry responded by developing and producing a range of equipment, including armored vehicles, UAVs (unmanned aerial vehicles), and advanced surveillance systems. These innovations were crucial in enhancing the Turkish military's operational effectiveness and demonstrated the growing competence of Turkey's defense sector.

4.3.4 Concluding Remarks

The period between 1974 and 2000 marked a pivotal transformation in the Turkish Defense Industry, characterized by significant breakthroughs, new projects, and a restructuring of decision-making mechanisms. This era began in the aftermath of the Cyprus Peace Operation, which highlighted Turkey's dependency on foreign military supplies and underscored the need for a self-sufficient defense industry. As a result, efforts to rebuild the industry using domestic resources gained momentum and laid the foundation for the major advancements that would take place in the 2000s. Several key developments defined this period. First, the U.S. arms embargo, imposed after the Cyprus

intervention, acted as a catalyst for the Turkish Defense Industry's localization efforts. The embargo exposed the vulnerabilities of relying on foreign arms and prompted Turkey to invest in developing its own defense capabilities, which led to the creation of new production facilities and programs aimed at reducing foreign dependency.

Second, Turgut Özal's "Joint Venture" policy, introduced in the 1980s, played a crucial role in reshaping the defense sector. This policy encouraged cooperation between Turkish companies and foreign defense firms, fostering technology transfer, joint production, and the development of domestic expertise. This strategy was reminiscent of the early republican period when joint production agreements were established with foreign companies, spare parts were manufactured locally, and efforts were made to train skilled personnel. Özal's policy set the stage for the development of modern defense technologies and the growth of Turkey's private sector involvement in defense production.

Finally, the rise of PKK attacks in the 1980s and 1990s forced Turkey into a state of prolonged internal conflict, leading to increased defense expenditures and heightened demand for military equipment and technology. This sustained period of conflict accelerated the development and procurement of domestic defense solutions, as Turkey sought to meet its military needs through both local production and international partnerships. This period of heightened military activity and spending also intensified efforts to modernize the Turkish Armed Forces and led to a more robust defense industry by the end of the 1990s. Overall, the 1974-2000 period was a transformative era that set the stage for Turkey's defense industry to become a major player in the global defense market in the following decades.

4.4 AKP's Domestic and National Defense Industry Initiative

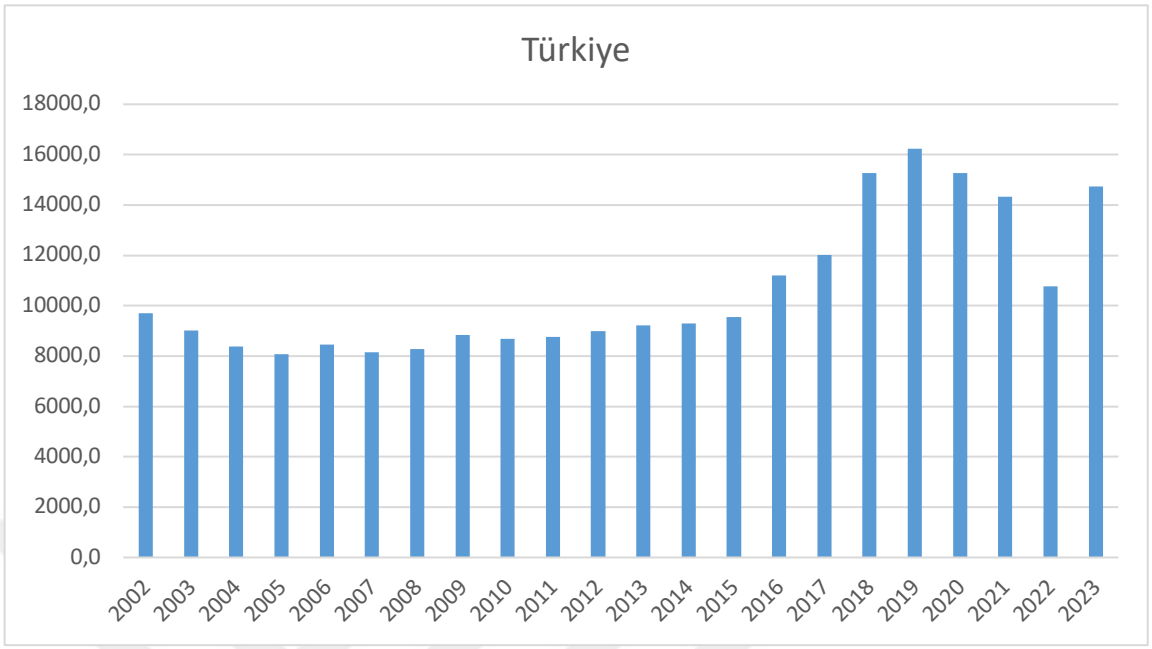
4.4. General Evaluation of the AKP and The Defense ndustry

The AKP (Justice and Development Party) era, beginning in 2002, marked a significant transformation in Turkey's defense industry. The government adopted a proactive approach to defense modernization and self-reliance, emphasizing the importance of developing a domestic and national defense industry. This period saw increased

investment, policy support, and strategic initiatives aimed at enhancing Turkey's defense capabilities.

After the Cyprus Peace Operation, only 25% of the legal norms and institutions created to promote organizational unity, as well as the new public and private sector enterprises, were successfully nationalized by 2003. Despite achieving some level of growth in specific sectors, projects such as MilGEM, the National Attack Helicopter, and the National Tank experienced delays and remained unfinished due to economic and political challenges arising from public tenders, as well as complications in joint production and technology transfer, primarily resulting from divergent viewpoints between civilian and military institutions. In 2004, the Defense Industry Executive Committee (SSİK) terminated all contracts worth 27 quadrillion TL and mandated the domestic production of these products by local enterprises and manufacturers. (Mevlütoğlu 2020; Akça and Özden 2021, 37). When looking at the defense expenditures, import and export figures, and the rate of nationalization in the defense industry of this period, it can be observed that Turkey has experienced a significant increase in defense spending during the AKP government in the 2000s. As this increase occurred, the domestic content ratios in the projects have also increased, leading to a decrease in the level of dependency on foreign sources.

Figure 4 Military Expenditure 2002-2023

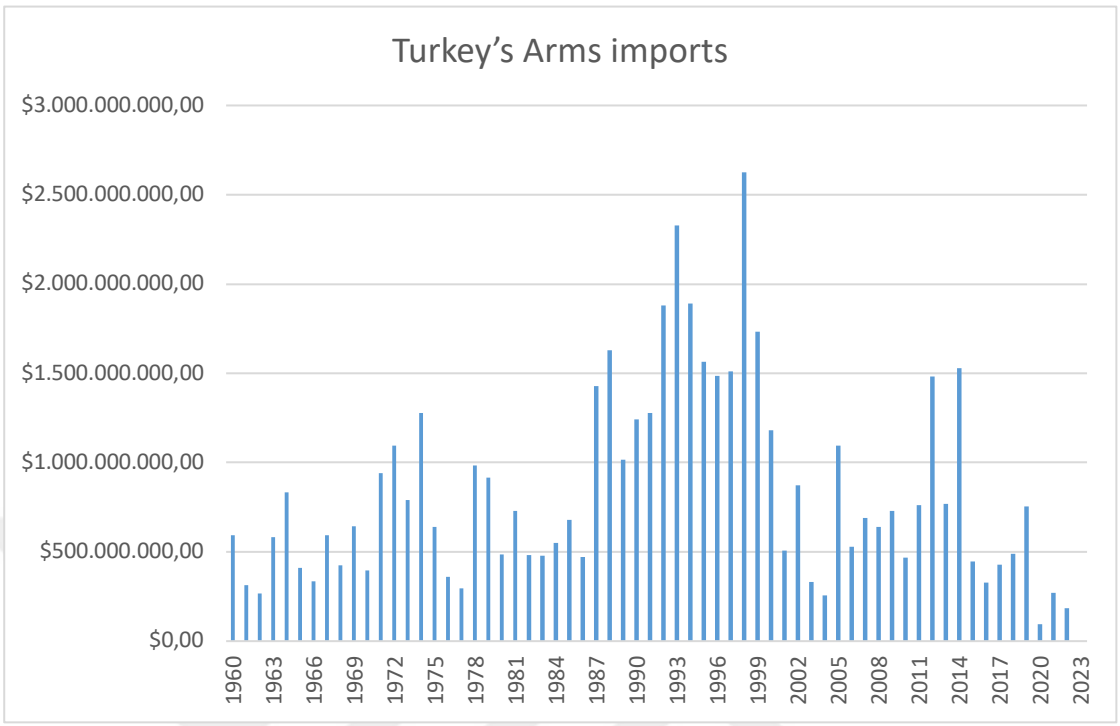


Source: (SIPRI 2021)

Note: Figures are in US $m., at constant 2022 prices and exchange rates

An analysis of Turkey's defense industry spending shows a clear and significant increase, especially after 2010. The growth rate accelerated rapidly in 2016, resulting in the highest levels of expenditure recorded in 2019. Turkey's significant change in foreign policy, particularly after 2016, has been the main cause of this rise. This move has resulted in military interventions in Syria, Libya, and northern Iraq, leading to an increase in defense expenditure.

Figure 5 Turkey’s Arms Imports



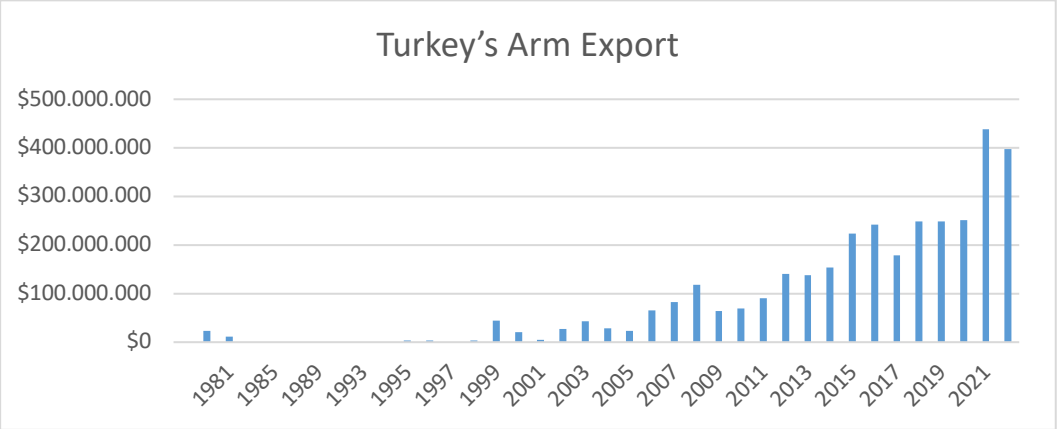
Source:(World Bank 2024)

Note: World Bank Data uses SIPRI indicators

The graph of Turkey's arms purchases from 1960 to 2023 shows considerable military procurement changes along with historical and geopolitical events. From 1960 until 1980, Turkey's armament imports were low and variable. Turkey's NATO membership and Cold War dependence on US military aid shaped this era. The 1964 Johnson Letter crisis, which strained US-Turkey relations, emphasized Turkey's dependence on foreign armaments and began creating an independent military sector. Arms imports increased significantly in the 1980s as Turkey modernized its military to combat internal and external threats. The 1980 military coup and political instability required increased military readiness. In addition, the mid-1980s conflict with the Kurdistan Workers' Party (PKK) necessitated large military weapons purchases. The graph highlights a rapid growth rate of 17.46% per annum from 1985 to 1995 and offers potential for further statistical evaluation to understand the trends and volatility in Turkey's arms imports over the years. Turkey also diversified its armament sources, lessening its dependence on the US and adopting European and Israeli technology. Several variables drove Turkey's early to mid-1990s arms import surge. After the Soviet Union collapsed and geopolitical developments occurred, Turkey strengthened its defenses amid regional uncertainty.

Counterinsurgency efforts against the PKK also required major military spending. Turkey's desire to become a regional power in the 1990s required a modern military. Turkey bought modern tanks, aircraft, and naval vessels from the US and Germany. Arms imports have declined since 2000, with occasional surges. This decline coincides with Turkey's focus on defense industry development. Establishing the Undersecretariat for Defense Industries (SSM) and investing in local industry began to pay off. Turkey's homegrown UAV, helicopter, and armored vehicle initiatives cut its arms imports. The worldwide war on terror and Turkey's geopolitical realignments, notably with the AKP government, also affected purchase patterns. In the 2010s, arms shipments increased sporadically to meet security needs and regional conflicts including the Syrian Civil War and maritime disputes with Greece and Cyprus. The 2016 coup attempt spurred a military preparedness analysis and targeted procurement to meet immediate security issues. Also, the graph show a significant 40% decrease in arms imports from 2005 to 2023 which is crucially important for the national defense production. The defense production trend toward self-reliance persists. Turkey's arms import trajectory from 1960 to 2023 is a complicated mix of internal, regional, and international influences. Over time, foreign military funding was replaced by a more diverse procurement strategy and an emphasis on local defense assets. This evolution reflects Turkey's strategic aspirations and desire for global autonomy and influence.

Figure 6 Turkey's Arm Export



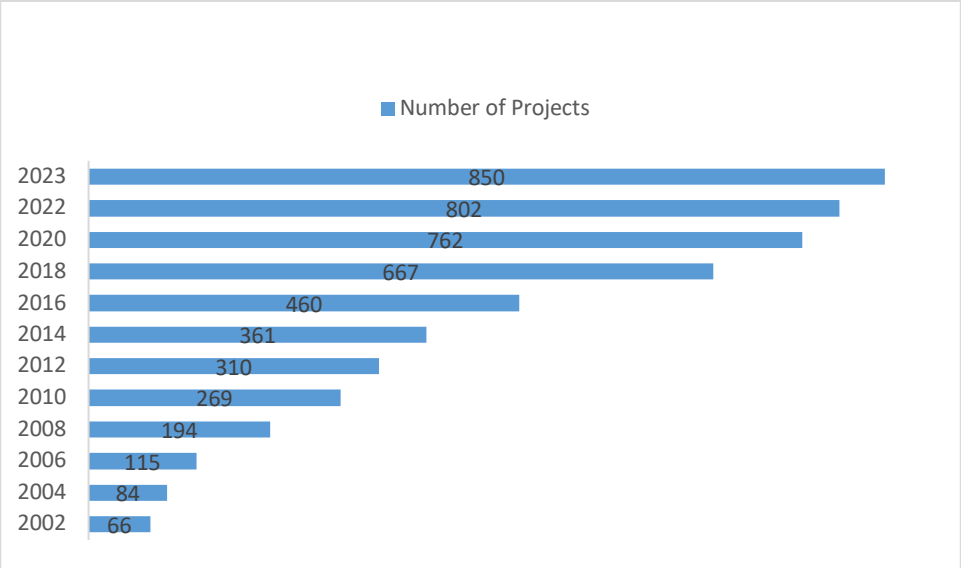
Source: (World Bank 2024)

Note: World Bank Data uses SIPRI indicators

The graph illustrates a significant increase in Turkey's weaponry exports starting from the early 2000s. In the 1980s and 1990s, Turkey's initial weaponry exports amounted to less than $5 million. Turkey has emerged as a prominent player in the global arms industry through the utilization of advanced technologies and the exploration of new markets. To summarize, the graph illustrates Turkey's transition from a relatively insignificant arms exporter during the 1980s and 1990s to a prominent participant in the defense industry by 2022. Turkey's military sector has shown exceptional self-reliance and export growth methods, as seen by its remarkable compound annual growth rate of 34.7% from 2005 to 2022 and recent surges. Turkey is becoming as a prominent exporter of weapons because of its geopolitical aspirations and substantial spending in strategic defense.

However, there has been a significant increase in the number of defense industry projects in recent years. Graph 4 show that the number of projects have been skyrocketed. Beyond just ammunition and intermediate parts produced by subcontractors, Turkey is now engaged in the production and design of complete weapon systems and platforms. Over the past 20 years, this progress has allowed Turkey to develop a substantial level of technical know-how, giving the country the capability to produce, modernize, and adapt military products to meet its own specific needs and requirements.

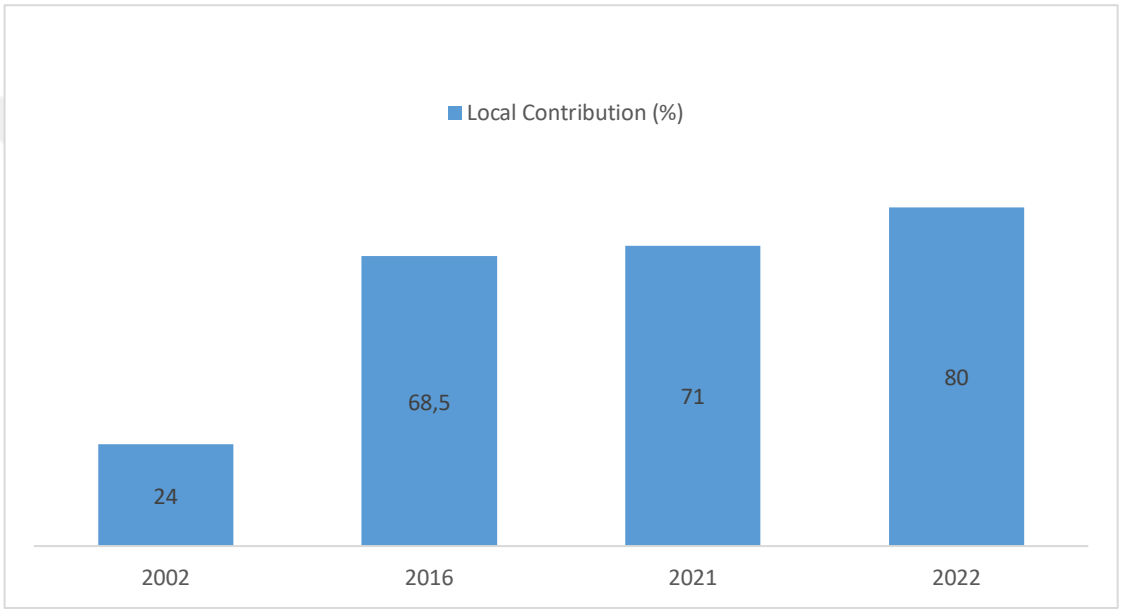
Figure 7 Number of Projects



Source: (Tarmur, Aslan, and Kumdereli 2024, 27)

Alongside the increasing number of defense projects, significant emphasis is being placed on indigenous production. As seen in Table 5, the Turkish Defense Industry has advanced to a point where it can manufacture both hardware and software components, including critical elements such as engines. This progress is also reflected in the growing number of qualified professionals in the industry, highlighting the development of a skilled workforce within Turkey.

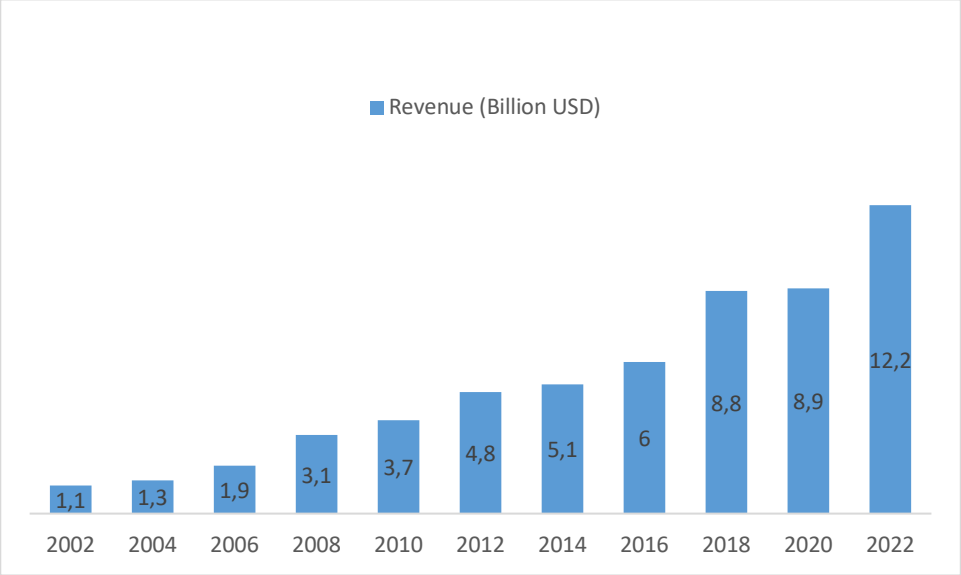
Figure 8 Local Contribution Rate



Source: (Tarmur, Aslan, and Kumdereli 2024, 13)

Turkey also generates substantial income from the export of its domestically produced defense products. As shown in Table 7, the turnover of defense industry companies has grown over the years. Although these figures remain below the global average, the export of vehicles and platforms originally designed for Turkey's own needs has played a crucial role in sustaining the defense industry, particularly supporting private enterprises. These exports not only boost revenue but also strengthen Turkey's position in the global defense market.

Figure 9 Total Revenue from Defense Industry



Source:(Tarmur, Aslan, and Kumdereli 2024, 31)

The significant increase in both imports and exports has also enabled Turkey's leading defense companies to secure positions among the world's top 100 arms manufacturers. According to a recent study conducted in 2023, ASELS improved its ranking in the annual assessment, moving up from 49th place to 47th place. Turkish Aerospace Industry (TAI) advanced from 67th to 58th, while missile producer ROKETSAN progressed from 86th to 80th place. Additionally, the Military Factory and Shipyard Management Inc. (ASFAT) made its debut on the list, securing the 100th position. In terms of defense revenues for 2022, ASELSAN generated $2 billion, TAI earned $1.48 billion, arned $873.3 million, and ASFAT earned $443.5 million (Defense News 2023). In 2002, Turkey had only 62 ongoing defense projects, indicating a rather limited level of military development endeavors during that year. Nevertheless, by 2024, the quantity of defense projects had experienced a significant sixteen-fold growth, surpassing the threshold of 1,000. The notable increase in size emphasizes a deliberate change in strategy and a strong dedication to enhancing Turkey's defense capabilities. Moreover, in 2002, the defense programs were granted a budget of almost $5.5 billion. In 2024, the overall project volume, which includes projects still in the bidding process, has increased almost seventeen times to an astonishing $96.3 billion. The significant rise in budget allocation and project volume not only demonstrates Turkey's intensified emphasis on its defense sector but also indicates its aspiration to become a serious contender in the global defense

arena. This expansion reflects the country's broader strategic and geopolitical ambitions, with the goal of attaining increased self-sufficiency and influence through the development of modern military weapons (SSB, 2024).

The AKP government's strategic vision for the defense industry was driven by the goal of reducing foreign dependency and fostering a self-sustaining, technologically advanced defense sector. This vision was encapsulated in various policy documents and strategic plans, which outlined ambitious targets for domestic production, technological innovation, and export growth. The government also emphasized the importance of public-private partnerships and collaboration with international defense companies to achieve these goals.

4.4.2 Concluding remarks

When examining the defense industry initiatives during the AKP period, it becomes evident that there has been a remarkable and unprecedented expansion across all levels. The Turkish defense sector has shattered historical records, significantly increasing its production capacity, and achieving notable advances in localization rates. These strides reflect a shift towards greater self-reliance and technological advancement, as Turkey has reduced its dependency on foreign defense imports and bolstered its ability to produce indigenous military technologies.

Several factors contributed to the AKP's success in this sector. One of the key drivers was the entry of numerous new companies into the defense market, fostering innovation and competition. Additionally, the government under the AKP built strong connections with the private sector, encouraging collaboration between state institutions and private enterprises. This partnership led to the growth of private companies playing a more substantial role in the development and production of defense equipment. Furthermore, the AKP’s consistent political backing of defense industry projects, providing both financial and logistical support, helped ensure the successful execution of long-term initiatives. This political commitment included prioritizing defense industry projects in state budgets and establishing legal frameworks that encouraged research, development, and production.

Moreover, the AKP has leveraged the success of the defense industry as a powerful tool in its populist discourse, particularly during election campaigns. The expansion of the defense sector has been portrayed as a symbol of national pride and sovereignty, with the government often emphasizing how homegrown military technologies—such as drones, tanks, and missile systems—enhance Turkey's international standing and military capabilities. By presenting the defense industry as a crucial component of Turkey's strategic autonomy, the AKP has strengthened its narrative of Turkey's rising influence on the global stage.

In addition to its economic and military implications, the development of the defense industry has resonated with nationalist sentiments, playing into the AKP's broader political strategy. The government has used the defense sector's success to rally public support, showcasing it as evidence of Turkey's ability to stand independently and assert its interests without reliance on foreign powers. This narrative has been especially significant in the context of regional tensions and Turkey's involvement in international conflicts, where the use of domestically produced defense systems has been framed as a testament to the country's growing strength.

In summary, the AKP period has seen a dramatic expansion of Turkey's defense industry, with substantial increases in production capacity, localization rates, and private sector involvement. These achievements, backed by strong political support, have not only transformed Turkey's defense capabilities but have also been instrumental in shaping the AKP's populist discourse, positioning the defense industry as a key symbol of national strength and independence.

5. CLIENTILIST RELATIONS IN DEFENSE INDUSTRY AND THE CRYSTALLIZATION OF PARCELLED STATE

The growth and transformation of Turkey's defense industry have not been without challenges. One significant issue has been the prevalence of clientelist relations within the sector. Amidst the tremendous expansion of the defense industry during the AKP era, an analysis of the connection between the government and business entities within the defense sector unveils the methods and tactics employed for the redistribution of capital. After the transition to the Presidential System in 2018, the Presidency had considerable influence in shaping investments and plans. This trend suggests that the redistribution of capital was carried out with greater speed and effectiveness.

5.1 Reasons Behind Sectoral Growth

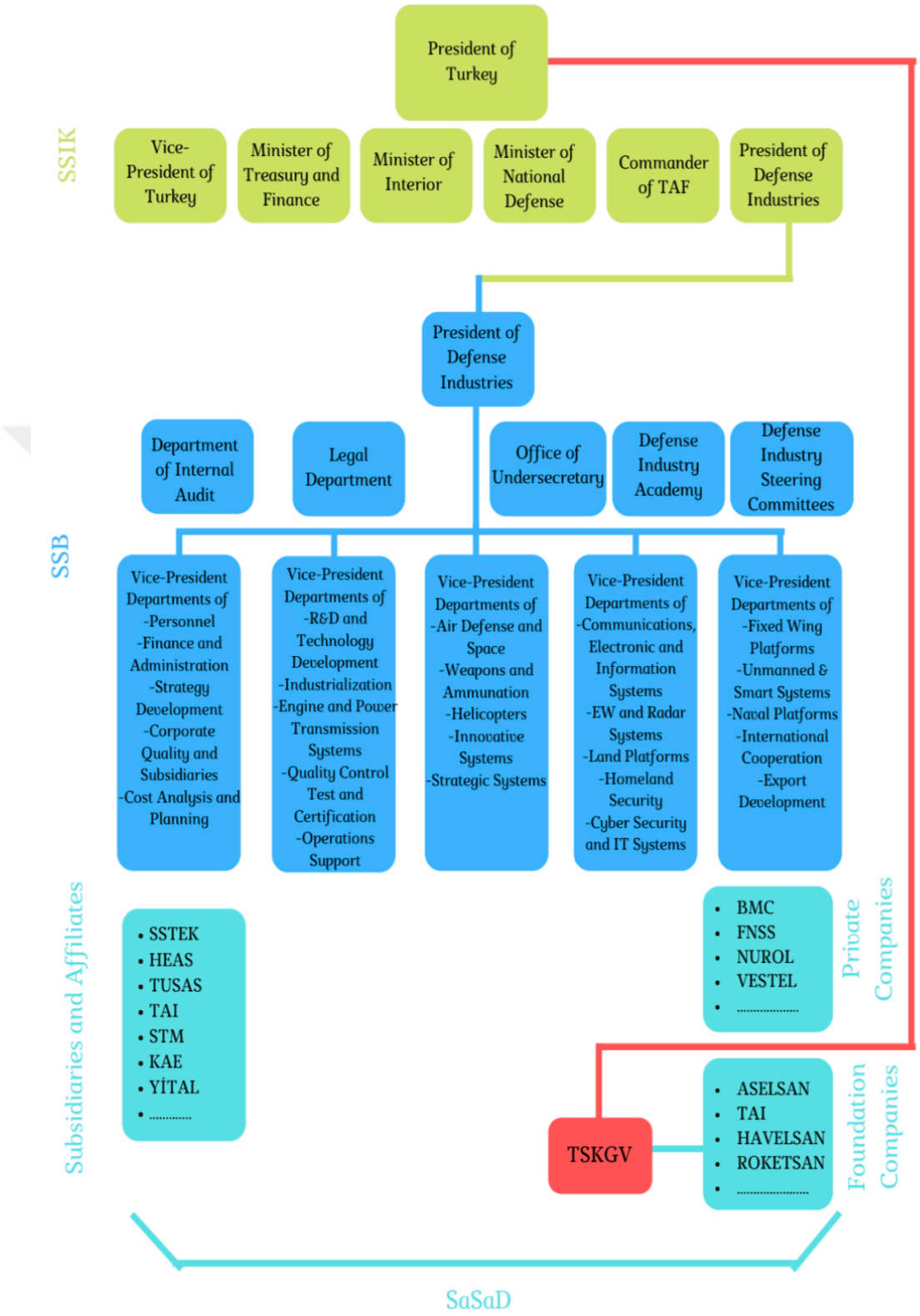
Turkey's unwavering policies on its national defense sector can be attributed to the U.S. embargo that was imposed after the Cyprus Peace Operation. These policies have been in effect since 1975. Additionally, it is worth noting the significant growth and rapid escalation in both the scale and economic contribution of defense industrial initiatives under the AKP government. Examining the elements that have contributed to this swift change will provide a clearer understanding of the recent advancements in the military industry.

In 1975, the Defense Industry Support Fund (SDIGV) was established, with a board consisting solely of civilian bureaucrats. This was followed by the establishment of the Defense Industry Project Management (SaGeP) boards, which included military elites, political elites, and civilian authorities. As a result, there was a lack of clarity regarding authority. The lack of clarity led to disputes among the institutions responsible for coordinating the defense sector and conducting production or procurement processes, resulting in disagreements. The conflicts over authority that emerged inside these organizations, exacerbated by the tensions between civilian and military authorities, resulted in a situation that impeded the efficient operation of the defense sector and undermined decision-making processes (Kurç 2024). Kurç highlights that in the 1990s, the Turkish Armed Forces (TSK) prioritized the quick acquisition of equipment,

ammunition, and weapons needed to combat the PKK. Meanwhile, the Defense Industry Support Fund (SDIGV) was in charge of supervising collaborative production agreements, including those for the MilGEM, Altay Tank, and Atak Helicopter, which were crucial for meeting the requirements of the Turkish military (Kurç 2024, 19).

The AKP Government implemented some legal regulations in order to eliminate the confusion of authority and to ensure that decisions, topics, and priorities can be determined by a single institution, following the failed coup attempt on July 15th and the establishment of the Presidential System in 2018. Akça and Özden (2021) conducted research on the transition within national defense coordination agencies. The Interior Minister and General Director of Police have become members of the Defense Industry High Coordination Board under the Undersecretariat for Defense Industries. The board has been superseded by the Defense Industry Executive Committee (SSIK). The Interior Minister, who assumed office in 2016 and served as President until 2017, attended the event after taking over from the Prime Minister. The SSM, which was previously under the jurisdiction of the Ministry of National Defense, now operates under the direct authority of the President. The President presided over committee sessions. The SSM ensured that the production and distribution of police weapons and equipment aligned with the security priorities of other security agencies under the Ministry of Interior. The approval of MIT resource transfers lies within the authority of the President, rather than the Minister of National Defense. The SSM underwent a transformation and became the Presidency of Defense Industries (SSB), which was linked to the President by Presidential decrees. The President will appoint Presidents and Vice Presidents from the Defense Industry and define the composition of the Executive Committee, as specified in these directives. The group comprised the President, Vice President, Ministers of Interior and National Defense, Chief of the General Staff, and President of Defense Industries (Akça and Özden 2021; Kurc 2016; Şahin 2020).

Figure 10 Bureaucracy of the Turkish Defense Industry after 2019



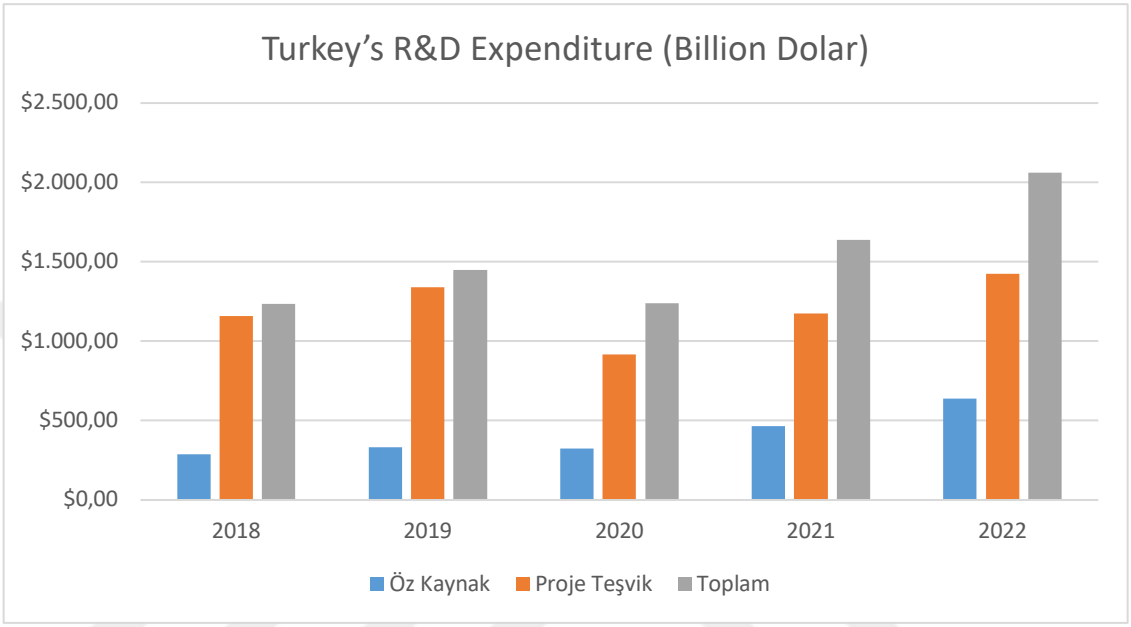
Source: (Şahin 2020, 81)

Figure 4 shows that s centralized authority was established to evaluate and supervise the procurement and requirements of all end-user units within the military industry organization, encompassing the Police Force and MIT's equipment and weaponry acquisitions. In order to simplify and centralize the process of making defense-related procurement decisions, this restructure carefully examined and met all requests and needs from security agencies under a single, unified framework. After 2018, it became directly subject to the Presidency, indicating a significant shift in the governance of Turkey's military industry. This move granted a comprehensive and authoritative organization the power to oversee all defense procurement choices. This entity comprises the President, Council of Ministers, and Chief of the General Staff, centralizing defense oversight at the highest echelons of government. The objective of this institution was to optimize defense procurement processes and align them with national security objectives. The AKP's motivation for these elaborate agreements was to reduce the influence of military elites on defense industry choices. The AKP endeavored to amalgamate the defense industry with the objectives and priorities of the civilian government by consolidating management within the executive branch and diminishing the military's involvement. This shift further solidified the AKP's governance model and defense sector policies by enhancing civilian oversight and authority over the military. Establishing a centralized defense procurement entity that reports directly to the Presidency was a critical measure aimed at enhancing the unity and effectiveness of Turkey's defense industry. This agency optimized the process of acquiring security resources and effectively diminished the impact of influential military personnel, so aligning the defense sector with the objectives of the civilian government and enhancing executive authority over national defense initiatives.

Another important point to highlight is Turkey's significant focus on supporting R&D efforts in the defense industry. In the 1990s, there was virtually no investment in research and development within Turkey's defense sector. However, as domestic production capabilities were strengthened in the 2000s, R&D emerged as a critical area of focus for Turkish defense companies. This shift reflected a broader strategy to not only reduce dependency on foreign technologies but also to innovate and develop advanced systems

and technologies domestically. The increased emphasis on R&D has played a key role in the rapid modernization of Turkey's defense industry and its ability to compete in the global defense market.

Figure 11 Turkey's R&D Expenditure (Billion Dolar)



Source: (SASAD 2023)

It is important to note that equity investments in Turkey's defense industry are quite limited, and a significant portion of the funding for R&D projects relies on government-provided project incentives. Without state support, it is clear that many defense industry companies would be reluctant to invest in R&D, which could hinder the development of new products. Additionally, Turkey's R&D investment levels remain below global averages, indicating that without continued or increased government backing, innovation in the sector may struggle to reach its full potential. This reliance on state incentives highlights the need for a more sustainable funding model to ensure long-term growth and competitiveness.

Table 10 Five Firms Spend the Most in R&D Turkey

Rank	2018	2019	2020	2021
1	ASELSAN 1.673.724.384 TL	ASELSAN 2.182.839.458 TL	ASELSAN 3.365.327.355 TL	ASELSAN 5.614.780.977 TL
2	TUSAŞ (TAI) 1.575.252.728 TL	TUSAŞ (TAI) 3.013.816.101 TL	TUSAŞ (TAI) 3.063.273.654 TL	TUSAŞ (TAI) 4.380.883.103 TL
3	FORD 1.524.155.000 TL	ROKETSAN 2.486.373.431 TL	ROKETSAN 1.498.910.000 TL	ROKETSAN 1.446.071.371 TL
4	ROKETSAN 1.210.799.010 TL	FORD 1.446.071.371 TL	FORD 488.811.111 TL	FORD 680.710.535 TL
5	TURKCELL 397.236.363 TL	TURKCELL 680.710.535 TL	TURKCELL 457.200.000 TL	TURKCELL 575.082.121 TL

Source: (Karaoğuz and Bozkurt 2024, 63)

As shown in the table above, companies like Aselsan, TAI, and TUŞAS are among the top investors in R&D within Turkey's defense industry. A significant portion of these investments has been supported through the defense industry budget. Despite various challenges, these investments have had a notable impact on the sector, especially in projects that rely on domestic resources and national equipment. This focus on local production has contributed to the advancement and modernization of Turkey's defense capabilities.

5.2 Exceptional Growth in Turkish Defense Industry and the Parcelled State

The Turkish defense industry has undergone remarkable expansion in recent decades, especially during the AKP era, where significant developments in production capacity, technology transfer, and localization have drastically reshaped the sector. The push for military self-sufficiency, combined with strategic initiatives such as joint ventures with foreign companies and increased state-supported projects, has allowed Turkey to reduce its reliance on foreign arms and increase its technological capabilities. However, this impressive growth has also revealed the deepening of clientelist relations within the sector, where close political ties between the government and specific companies have influenced decision-making, contracts, and capital redistribution. This trend has given rise to what is often referred to as the "parcelled state," in which state resources and

lucrative defense contracts are selectively allocated to companies with strong political connections.

The transition to the Presidential System in 2018 marked a significant shift in the governance of Turkey's defense industry. The centralization of authority under the presidency facilitated faster decision-making and a more streamlined approach to capital distribution, but it also strengthened the role of political patronage. The Defense Industry Executive Committee, now directly overseen by the President, has played a pivotal role in shaping the future of the sector, approving major projects and investments. While this centralized decision-making structure has enabled rapid advancements in the industry, it has also heightened concerns about the dominance of political relationships over merit-based competition.

Several key cases illustrate the increasing influence of clientelist relations in the defense industry. The Altay Tank project, initially awarded to Otokar for prototype development, was later transferred to BMC, a company with close political ties, for mass production. Similarly, the MİLGEM Corvette project faced delays and procurement challenges, as shifting political preferences and rivalries between companies affected project timelines and contract allocations. Another notable example is the rise of Baykar, a private company led by Selçuk Bayraktar, who is President Erdoğan's son-in-law. Baykar's success in developing unmanned aerial vehicles (UAVs) has been tied not only to its technological achievements but also to its political proximity to the AKP government, which has provided it with significant state support and access to international markets. Katmerciler, a company with political links through its chairman's ties to the AKP, has also benefited from lucrative defense contracts, further underscoring the relationship between political power and success in the defense industry.

The complex interaction between political authority and the defense industry has resulted in a unique dynamic where state power, economic interests, and military modernization are tightly intertwined. While the AKP government has managed to align the defense industry's growth with its broader national security and economic goals, it has also contributed to a system where political connections play a decisive role in shaping the direction of the sector. As Turkey continues to expand its defense capabilities and global

reach, the implications of this “parcelled state” dynamic will likely shape both the industry’s future and its role within Turkey’s broader economic and political landscape.

5.2.1 The relationship of OTOKAR and BMC companies with the government in the Altay tank tender

Turkey's need for armored vehicles has significantly increased, particularly following the conflict with the PKK in the 1990s. To meet these needs, various types of armored vehicles have been produced for different purposes and objectives, with some of these vehicles becoming notable export items. Companies such as FNSS (Pars), BMC (Kirpi and Amazon), Otokar (Arma and Cobra), Nurol (Ejder and Ejder Yalçın), and Katmerciler (Hızır and Ateş) have developed different products that have entered the inventory of the Turkish Armed Forces (TSK), with several projects still under development.

Among these manufacturers, Otokar, a long-standing player in the defense industry, has designed the Cesur armored vehicle in partnership with the United Arab Emirates. Despite its technical capacity and high export figures, Otokar has been excluded from public tenders. In its place, BMC's Kirpi armored vehicles and Nurol's Ejder and Ejder Yalçın armored vehicles are more prevalent in the inventory. Additionally, the contract for the modernization of Leopard 2A4 tanks was awarded to BMC without any formal ceremony. The lack of progress in this project over the following two years has drawn criticism (Mehmet 2020).

After being taken over by the Savings Deposit Insurance Fund (SDIF), BMC was acquired by Çukurova Holding and subsequently placed up for sale in 2014. The estimated value of the company was 935 million TL, and it was purchased by Ethem Sancak for 751 million TL. Following President Erdoğan's proposal, businessman Talip Öztürk, who is related to Erdoğan, was granted a 25% stake in BMC. Following a meeting between Erdoğan and the Emir of Qatar, the Qatar Army became a foreign partner by purchasing 49.9% of the company for $300 million. Ethem Sancak sold 75% of BMC, which he had acquired for $200 million, to Öztürk and the Qatar Army for $400 million Notwithstanding these alterations in ownership, BMC upheld its contracts with the Turkish Armed Forces (TAF) and other governmental organizations, generating 50% of

its income from entities such as the Presidency of Defense Industries and other municipalities. BMC has shown interest in the Altay tank project, which was originally awarded to Otokar in 2009 for the building of prototypes. Despite the expectation that Otokar would be responsible for mass production if pricing agreements were fulfilled, the SSB terminated the contract due to excessive expenses and subsequently issued a new one. BMC was awarded the contract in April 2018 to manufacture a large quantity of products and develop engines. Furthermore, it was alleged that BMC was granted a "super incentive" of 1.4 billion TL, as determined by the President, when the offer was awarded. TAF and BMC reached an agreement granting BMC permission to utilize the Tank-Pallet Factory for the production of 250 tanks by May 2020, with the potential to raise the production to 1,000 tanks later. The factory was transferred to BMC for a period of 25 years without any lease obligations, except for a mandatory investment of $50 million. As of August 2021, the production of the Altay tank has been delayed since Germany has declined to provide MTU engines and RENK transmissions to Turkey. In order to circumvent the embargo imposed by Germany, Turkey has placed an order for 85 power group systems from South Korea (Savunmasanayist 2023). These power groups will be utilized for creating prototypes, and Turkey has also initiated the production of engines that are built within the country (Anadolu Ajansı, 2023).

5.2.2 Milgem corvette project

The MİLGEM (National Ship) corvette project, initiated in 1994, faced significant delays due to civil-military rivalry and procurement model changes until 2005. Initially, the Turkish Naval Forces Command (TNFC) and the Undersecretariat for Defence Industries (SSM) disagreed over control, but by 2006, it was decided that STM would supply materials and services while TNFC would handle design and construction. The first two corvettes were built at Istanbul Tuzla Military Shipyard, with subsequent ships planned for private shipyards. However, a 2011 tender won by RMK Marine was canceled, and STM took over the third and fourth ships' construction in 2014, including supplying and integrating the main propulsion system.

Koç Holding's RMK Marine faced setbacks, notably the canceled LPD tender, awarded to Sedef Shipyard amid allegations of political favoritism. Sedef Shipyard, part of TAIS,

built notable ships like TCG Anadolu and TCG Yarbay Kudret Güngör. TAIS companies have recently been preferred for naval projects, including international contracts. Meanwhile, RMK Marine shifted focus to commercial vessels after completing a Coast Guard project.

The first MİLGEM corvette, TCG Heybeliada, was delivered in 2011, followed by TCG Büyükada in 2013, TCG Burgazada in 2018, and TCG Kınalıada in 2019. ASELSAN and HAVELSAN managed the combat systems. The contract for the first domestic I-class frigate, TCG Istanbul, was signed with STM in 2019, with a launch in 2021 and delivery planned for 2023, featuring 75% local content

5.2.3. Baykar and aviation industry

Aviation sector was predominantly dominated by the Turkish Aircraft Industry Joint Stock Company (TUSAŞ), which is a member of TAF. TUSAŞ was founded in 1984 specifically for the purpose of manufacturing F-16 aircraft. Later, TUSAŞ joined with TAI, which allowed them to broaden their scope to include aerospace equipment. As a result, TUSAŞ became the sole producer of aircraft, enjoying a monopoly in this industry. TUSAŞ maintains its leadership position through the development of projects such as the ATAK and GÖKBEY helicopters, HÜRJET and HÜRKUŞ trainer planes, ANKA unmanned aerial vehicles (UAVs), and GÖKTÜRK satellites. The organization, which has experienced substantial growth, engages in diverse modernization initiatives and has a workforce of around 9,000 individuals. The objective of the Turkish Fighter KAAN project is to design and manufacture a fighter jet of the fifth generation by the year 2030, despite obstacles such as CAATSA restrictions and the dependence on foreign components.

Unmanned Aerial Combat Vehicles (UACVs) have emerged as a prominent representation of Turkey's defense sector, effectively upgrading the air combat system and bolstering Turkey's regional power standing. The development of UAVs commenced in 2004 and had significant progress in the 2010s. The Bayraktar TB2 and ANKA-S unmanned aerial vehicles (UAVs) have been pivotal in various conflicts, including the Syrian civil war, the Libyan conflict, and the Nagorno-Karabakh war, garnering global

recognition. (M. E. Esen 2023; PÉRIA-PEIGNÉ 2023; Kınık and Çelik 2021). Turkey has effectively marketed these UAVs to countries such as Qatar, Ukraine, Libya, and Azerbaijan, and is currently engaged in negotiations with other states.

Notwithstanding these difficulties, the UAV's industry in Turkey has experienced significant expansion, thanks to investments and incentives that have boosted production capacity. Baykar Makina had a substantial growth in its production of Bayraktar TB2 and also established a new research and development facility. The familial connection between Selçuk Bayraktar, the Chairman of the Board of Baykar, and President Erdoğan requires a reassessment of specific facets of the state-capital relationship. Political proximity frequently serves as the means by which the link between the state and capital is developed in various cases. The leadership of Baykar, a highly successful company in the defense industry, by the President's son-in-law, brings an additional aspect to this relationship. To begin with, Selçuk Bayraktar's familial relationship with the President grants the company and those associated with political impunity. This political immunity results in a situation where any criticism directed towards Selçuk Bayraktar is depicted as criticism towards the state as a whole. However, Selçuk Bayraktar's success should not be solely interpreted through the lens of his familial ties and close relationship with the AKP government and President Erdoğan. During the production process of the Bayraktar TB2, Selçuk Bayraktar himself engaged in direct discussions with Turkish Armed Forces (TAF) officials to ensure the prototype was tested under military conditions. As a result of these meetings, the prototypes underwent further development and refinement. From this perspective, the critical importance of know-how accumulation becomes evident, particularly when entering the defense industry, in contrast to other sectors (Çam 2022, 54–60).

In addition, in order for a platform created by a private company or state institution to be included in the inventory and qualify for export, it must be consistently used by the Turkish Armed Forces. Products under Baykar Holding are given priority in utilization. These products, which are utilized in operations in northern Syria, Libya, northern Iraq, and Nagorno-Karabakh, undergo regular testing by field personnel, and feedback channels are formed in different geographical locations. Hence, the Bayraktar TB2's technological supremacy stems from its prioritized utilization, thorough testing in various

geographical locations, and the capability to update its products based on the received feedback. Nevertheless, the reliance on foreign technology, exemplified by the utilization of components such as the Rotax engine from Sweden and Wescam cameras from Canada, presents continuous vulnerabilities. The export bans, such as those enforced by Canada, underscore the vulnerabilities and geopolitical intricacies that Turkey encounters in its efforts to advance its defense industry.

5.2.4 Katmerciler Defense and its relationship with AKP government

Katmerciler, established in 1985, has emerged as a prominent leader in Turkey's vehicle equipment sector and a significant innovator within the defense industry. Leveraging decades of accumulated experience, the company has adeptly expanded its operations to encompass both civilian and defense applications.

In 2010, Katmerciler strategically diversified into the defense sector, commencing with the production of Riot Control Vehicles (TOMA). İsmail Katmerciler, the Chairman of Katmerciler Holding, served as an AKP Member of Parliament during the 23rd term. As a result of this relationship, Katmerciler Holding entered the tender for the TOMA in 2010. The company, which had reported losses in 2008, began to accumulate wealth through the state contract awarded by the AKP government. Katmerciler Holding later leveraged this capital in the defense industry, developing a large portfolio of armored vehicles. Katmerciler's defense products have since become integral to the Turkish Armed Forces and police, highlighting the company's belief in the necessity of a robust national defense industry. This expansion includes the development of 4x4 Tactical Armored Vehicles, Armored Work Machines, and Special Purpose Vehicles, which cater to diverse operational requirements.

Katmerciler's defense product lineup features several key innovations, such as the HIZIR combat vehicle, the KIRAÇ crime scene investigation vehicle, the ATEŞ mobile border security vehicle (developed in collaboration with Aselsan), and the UKAP remote-controlled weapon platform. Other notable products include the KHAN armored personnel carrier, the world's most produced Riot Control Vehicle (TOMA), and a range of specialized armored equipment like ambulances, excavators, and loaders. These

products are designed to meet NATO standards and are equipped to handle various security and operational challenges.

5.2.5 Pasifik Holding and clientelist relations

Pasifik Holding, a prominent Turkish conglomerate, operates across diverse sectors, including real estate, international logistics, technology, energy, and mining. Established in the 1980s with Orçay, the company has since expanded its portfolio significantly. In 2024, Pasifik consolidated its 55 subsidiaries under a unified corporate structure and transitioned to a holding model. One of the most important aspects of this holding is that The Chairman of the Board of Directors is noted to be a nephew of President Recep Tayyip Erdoğan, with the board comprising members who are reported to have close familial ties to the President. Interestingly, Pasifik Holding entered in the defense industry by buying out premising aviation company called Titra Technology which is known for the production of ALPIN, unmanned helicopters (Çelik 2024). The subsidiary also delivers cybersecurity and IT infrastructure solutions. In the energy and mining sectors, the company prioritizes sustainability, with 60% of its 100 MW installed capacity derived from renewable energy sources.

5.3 Concluding Remarks

The exceptional growth of Turkey's defense industry, particularly under the AKP government, reflects the country's strategic efforts to reduce its reliance on foreign military technology, bolster its defense capabilities, and establish itself as a key player in the global defense market. Over the past few decades, Turkey has made substantial progress in indigenous production, research, and development (R&D), and defense exports, positioning itself as a regional power with a growing influence in military affairs. The expansion of production capacity, the increase in localization rates, and the success of major defense projects like the development of UAVs and armored vehicles have been integral to this transformation.

However, this remarkable progress has been accompanied by the increasing prevalence of clientelist relations within the sector, where political patronage and connections have

played a significant role in the awarding of contracts and the allocation of resources. The transition to the Presidential System in 2018 further centralized control over defense procurement under the direct oversight of the President, reinforcing the influence of political authority in shaping the industry's direction. While this centralization has allowed for faster decision-making and more streamlined execution of projects, it has also deepened concerns about the concentration of power and the potential for cronyism in the defense sector.

One of the major consequences of these clientelist dynamics is the dominance of certain companies with strong political ties, such as Baykar, BMC, and Katmerciler. These companies have benefited from government support, lucrative contracts, and favorable conditions, often at the expense of other firms that may not enjoy the same political connections. While the achievements of these companies, particularly Baykar's development of advanced UAVs, are noteworthy, the reliance on political patronage raises questions about the long-term sustainability and fairness of the defense industry. The risk is that innovation and competitiveness could be stifled if the market becomes overly dependent on political favor rather than merit-based competition.

Despite these challenges, the defense industry's growth has undeniably bolstered Turkey's national security, provided a boost to its economy, and enhanced its geopolitical standing. The increased emphasis on R&D, the growing qualified workforce, and the success of indigenous projects have strengthened Turkey's ability to meet its own defense needs and export military technologies to other countries. This has been a key factor in Turkey's rise as a regional power, with its defense exports contributing to both economic growth and diplomatic influence.

6. CONCLUSION

The analysis of the Turkish defense industry through the lens of Poulantzas's authoritarian statism offers important insights into the evolving relationship between the state and capital in the post-2008 global context. The strategic growth of the defense sector in Turkey underscores the state's increased role in managing capitalist contradictions, particularly in times of crisis. This study demonstrates that, rather than merely following neoliberal imperatives, the Turkish state has employed authoritarian measures to maintain control over key industries, allocating resources to factions that support its ideological and political agenda. This dynamic is reflective of a broader global trend where states increasingly blend authoritarian governance with neoliberal economic policies, particularly in sectors deemed critical to national security and international stature.

These findings have broader implications for international political theory. First, they suggest that the evolution of state-capital relations in the neoliberal era may be shifting towards a more permanent model of authoritarian statism, where democratic institutions are subordinated to the imperatives of capital accumulation and state survival. This contrasts with previous understandings of neoliberalism as primarily focused on market deregulation and minimal state intervention. Instead, the Turkish case shows how states, when faced with crises like those of 2008, may adopt authoritarian measures not only to stabilize the economy but also to secure political dominance and maintain power blocs.

The defense industry has formed clientelist relationships with the state, which involve integrating defense strategy and resource planning under the Presidency. As a result, the AKP government has gained complete control over the defense industry budget, making it easier to allocate resources. In relation to the primary point of this study, this thesis proposes that the authoritarian inclinations after 2008 can be comprehended by examining the redistribution of capital. Neoliberalism has consistently been applied through measures that curb labor, union, and student movements while limiting individual rights and freedoms. Following the 2008 crisis, it is argued that the state has adopted a more authoritarian role to manage resource distribution more swiftly and with tighter control. This implies that the rise of authoritarianism is not a result of a temporal

change, but rather a consequence of a crisis in distribution. As a result, this type of interaction between the government and capital has caused the emergence of capital groups that have the same ideology and political alignment with the AKP government. This has forced marginalized partners to retain strong connections with the AKP and, more specifically, the Presidency. The AKP government has successfully managed the economic crisis it has been facing for the past last decades by implementing procedures to delay its development into a larger crisis at the state level.

In the context of the Turkish defense industry, the state's authoritarian control over the sector fits within Poulantzas's concept of authoritarian statism. However, the Parcelled State model explains how, within this centralized control, power is fragmented and distributed to politically loyal business factions. This combination allows the Turkish government to both maintain control over the defense sector and create a network of loyal capitalists, reinforcing its hold on political power. Together, these two frameworks provide a comprehensive explanation of how Turkey's defense industry has grown through state intervention and clientelist networks, all while reinforcing an authoritarian political structure. In the context of the Turkish defense industry, the state's authoritarian control over the sector fits within Poulantzas's concept of authoritarian statism. However, the Parcelled State model explains how, within this centralized control, power is fragmented and distributed to politically loyal business factions. This combination allows the Turkish government to both maintain control over the defense sector and create a network of loyal capitalists, reinforcing its hold on political power. Together, these two frameworks provide a comprehensive explanation of how Turkey's defense industry has grown through state intervention and clientelist networks, all while reinforcing an authoritarian political structure.

The Parcelled State concept can be understood as an intermediate stage in the erosion of relative autonomy, which Poulantzas views as essential for the state’s ability to manage class contradictions and crises. As the state fragments, with its apparatuses being influenced by various political and economic groups, its capacity to mediate between these groups weakens. This fragmentation reflects a loss of the state’s ability to act autonomously, leading to increasing reliance on clientelist networks and politically motivated capital distribution. Jessop’s argument that relative autonomy prevents the

"parceling" of the state is important here, as the erosion of this autonomy opens the door for increased authoritarian measures to maintain control over capital and the political order. From this perspective, the Parcelled State can be seen as a precursor to what Poulantzas calls the Exceptional State, including dictatorships and fascist regimes. As the state loses its flexibility to respond to crises and manage contradictions, it resorts to more centralized, authoritarian solutions to maintain its rule. This shift from a fragmented state to an exceptional one is historically rooted in the state's inability to mediate between competing interests within the capitalist bloc, ultimately leading to the suppression of democratic processes and the rise of authoritarianism or fascism. Thus, the Parcelled State represents a transitional phase where democratic institutions are still present, but gradually erode, paving the way for an authoritarian transformation.

The growth of the Turkish defense industry must also be situated within the broader framework of authoritarian statism. The state's role in reallocating capital, as discussed earlier, is critical to understanding how industries like defense are strategically utilized to solidify the government's control over both the economy and society. The defense sector, being a highly nationalistic and security-driven field, is an ideal vehicle for fostering political legitimacy and control. Through the defense industry, the state not only bolsters its international standing but also strengthens its domestic hold by portraying itself as the guardian of national security and sovereignty. However, this strategic growth, while serving the state's immediate political objectives, poses long-term risks. As the industry becomes increasingly reliant on state support and insulated from global competition, its capacity to innovate and sustain itself in the long term is questionable. This mirrors Poulantzas's argument about how authoritarian states, by concentrating control over key industries, create a fragile economic system that is highly vulnerable to shifts in the political landscape. Should the AKP lose its grip on power, the companies and networks that have benefited from its patronage might find themselves exposed to both domestic and international competition for which they are unprepared.

To assess whether the Turkish defense industry's growth constitutes genuine success, it is essential to evaluate its sustainability in the global defense market. While Turkish defense companies have made technological advances, especially in drone warfare, questions remain about their ability to compete with established global players. For

instance, while Turkey's Bayraktar TB2 drones have gained international attention, the sustainability of this success may be contingent on maintaining current levels of state backing and favorable export deals. Competing with giants like Lockheed Martin, Boeing, or even Israeli firms, which have larger R&D budgets and more diversified product lines, will be a significant challenge. Moreover, the defense sector's long-term success requires continual investment in research and development (R&D), an area where Turkey still lags behind global standards.

Moreover, these clientelist contacts provide defense sector corporations with chances to obtain procurement contracts from the state. The effectiveness of platforms and weapon systems designed for the defense sector can only be demonstrated by testing in operational or combat conditions. As a result, the import and export processes for these products are more complex compared to other industries. Since the SSB is responsible for supervising the import of defense industrial items, this sector tends to have a higher degree of exclusivity. The utilization of products manufactured by TAF operators, their effectiveness in wartime and conflict situations, and the subsequent feedback provided for product improvement all contribute to the justification and continuation of these connections.

However, upon closer examination of the shortcomings of private businesses in the early Republican era, it becomes clear that the newly formed Republic did not have sufficient resources to acquire pre-existing systems, weapons, and platforms. As a result, the government was unable to allocate research and development funds to these companies. The Republic's foreign policy during this era was characterized by a pro-peace and diplomacy position. This approach was seen as a result of a revisionist approach to military production, which further limited the Republic's actions in this area. As a result, the restricted scope of these enterprises' import operations caused a cessation in output. Significantly, during the AKP era, we witness the adoption of a "vigorous export" strategy in the defense sector. The AKP government has implemented a proactive import strategy, disregarding considerations regarding the intended usage and potential political implications of the acquired weaponry. This issue may arise from the anticipation that these corporations should have a reserve of imports and sustain their connections in the case of a probable alteration in government.

Turkey's present foreign policy include engaging in military actions in Northern Iraq, Libya, and Syria, as well as offering technical and equipment assistance to Azerbaijan in the Nagorno-Karabakh region. In addition, Turkey has exported a range of armored vehicles, such as UAVs and drones, during the Ukraine War. Furthermore, Turkey has maintained military outposts in several places across Africa TAF's daily operational requirements have grown as a result of this military expansion, leading the government to acquire a greater number of domestically manufactured goods. Therefore, the increase in Turkey's defense industry production aligns with a period of heightened military involvement.

Consequently, this circumstance has prompted alterations in Turkey's foreign policy. In the 1990s, Turkey carried out extensive military operations in Northern Iraq as a means to combat the PKK. However, especially following the conclusion of 2018, it adopted a policy of establishing a "permanent base" in Northern Iraq. The current operational approach of the TSK entails securing territorial dominance by infiltrating regions housing PKK encampments and creating enduring strongholds on strategically advantageous elevated positions. The adoption of this policy has been made possible by the progress in observation and detection technologies in the defense sector, together with the growing use of newly developed military products.

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